Elizabeths Hospital, and for other purposes; to the Committee on Education and Labor.

By Mr. O'HARA:

H. R. 3871. A bill to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEVENSON:

H. R. 3872. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. MILLER of Nebraska:

H. R. 3873. A bill to redefine the powers and duties of the Board of Public Welfare of the District of Columbia, to establish a Department of Public Welfare, and for other purposes; to the Committee on the District of Columbia.

By Mr. MUNDT:

H. R. 3874. A bill to authorize the city of Pierre, S. Dak., to transfer Farm Island to the State of South Dakota, and for other purposes; to the Committee on Public Lands.

By Mr. SEELY-BROWN:

H. R. 3875. A bill granting the consent and approval of Congress to an interstate compact relating to control and reduction of pollution in the waters of the New England States; to the Committee on Public Works.

By Mr. CLASON:

H. R. 3876. A bill granting the consent and approval of Congress to an interstate compact relating to control and reduction of pollution in the waters of the New England States; to the Committee on Public Works.

By Mr. FORAND:

H. R. 3877. A bill granting the consent and approval of Congress to an interstate compact relating to control and reduction of pollution in the waters of the New England States; to the Committee on Public Works.

By Mr. GRANT of Indiana:

H. R. 3878. A bill to amend section 3403 (b) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. LANE:

H. R. 3879. A bill to amend the Social Security Act to provide unemployment benefits for individuals who have been employees of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. MUHLENBERG:

H. J. Res. 218. Joint resolution providing for the representation of the Government and people of the United States in the observance of the two hundredth anniversary of the founding of the city of Reading, Pa.; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States in relation to the Federal income tax as it affects community-property States; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to amend the act entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900, as amended, known as the Hawaiian Organic Act, by amending section 73 thereof; and requesting the Congress to approve amendments herein set forth of chapter 78 of the Revised Laws of Hawaii, 1945; and to approve the making, insuring, or guaranteeing of certain loans; to the Committee on Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 3880. A bill for the relief of Ludwig Pohoryles; to the Committee on the Judiciary.

By Mr. JONES of Washington:

H. R. 3881. A bill to permit Haruko (Yamamoto) Iki to return to and remain in the United States as a permanent resident; to the Committee on the Judiciary.

By Mr. RABIN:

H. R. 3882. A bill for the relief of Lawrence J. Dempsey; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

642. By Mr. SABATH: Petition of the City Council of the City of Chicago, petitioning consideration of their resolution with reference to request for inclusion in current budget of an appropriation for improvement of Calumet Sag Channel (part of Lakes-to-Gulf waterway north of Lockport, Ill.); to the Committee on Appropriations.

643. By the SPEAKER: Petition of the Board of Supervisors of the County of San Luis Obispo, petitioning consideration of their resolution with reference to endorsement of S. 866 and H. R. 2523; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, JUNE 18, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Once again, our Father, we come to Thee in prayer, on the same old terms, because of our need of Thy help and our faith that Thou dost govern in the affairs of men and wilt hear our prayer in the name of Christ Thy Son.

Thou hast given us the inner voice of conscience, and Thy Holy Spirit enables us to distinguish good from evil. But where we are to choose between two courses when both are good and commendable, then we need the crystal clarity of Thy guidance, that we may see one to be better than the other. Help us, O God, at the point of our uncertainty, for there is no uncertainty with Thee. Thou hast a plan. We would clasp Thy hand. That shall be to us better than light and safer than a known way.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 17, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 50. An act for the relief of Joseph Ochrimowski;

S. 317. An act for the relief of Robert B. Jones;

S. 361. An act for the relief of Alva R. Moore;

S. 423. An act for the relief of John B. Barton;

S. 425. An act for the relief of Col. Frank R. Loyd;

S. 470. An act for the relief of John H. Gradwell;

S. 514. An act for the relief of the legal guardian of Sylvia De Cicco;

S. 561. An act for the relief of Robert C. Birkes;

S. 620. An act for the relief of Mrs. Ida Elma Franklin;

S. 824. An act for the relief of Marion O. Cassady; and

S. 882. An act for the relief of A. A. Pelletier and P. C. Silk.

The message also announced that the House had passed the bill (S. 254) for the relief of the legal guardian of Glenn J. Howrey, with an amendment in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3203) relative to maximum rents on housing accommodations, to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 53) authorizing the Clerk of the House, in the enrollment of the bill (H. R. 3203) relative to maximum rents on housing accommodations, to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes, to make certain changes, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 379. An act for the relief of Kuo Yu Cheng;

H. R. 431. An act for the relief of the Columbia Hospital of Richland County, S. C.;

H. R. 553. An act for the relief of Arsenio Acacio Lewis;

H. R. 645. An act for the relief of Ben. W. Colburn;

H. R. 649. An act for the relief of Antonio Belaustegui;

H. R. 710. An act for the relief of Fritz Hallquist;

H. R. 988. An act to confer jurisdiction upon the District Court of the United States for the Western District of Kentucky to hear, determine, and render judgment upon the claims of certain property owners adjacent to Fort Knox, Ky.;

H. R. 1162. An act for the relief of Persis M. Nichols;

H. R. 1486. An act to authorize and direct the Secretary of the Interior to issue to Alice Scott White a patent in fee to certain land;

H. R. 1493. An act for the relief of Anna Malama Mark;

H. R. 1508. An act for the relief of Mrs. Lula Wilson Nevers;

H. R. 1652. An act to provide for the naturalization of certain United States Army personnel—Yugoslav fliers;

H. R. 1737. An act for the relief of Owen R. Brewster;

H. R. 1800. An act for the relief of David Hickey Post, No. 235, of the American Legion;

H. R. 1845. An act to amend existing laws relating to military leave of certain employees of the United States or of the District of Columbia so as to equalize rights to leave of absence and reemployment for such employees who are members of the Enlisted or Officers' Reserve Corps, the National Guard, or the Naval Reserve, and for other purposes;

H. R. 2056. An act for the relief of J. C. Bateman;

H. R. 2151. An act authorizing the Secretary of the Interior to issue a patent in fee to Erle E. Howe;

H. R. 2306. An act for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts;

H. R. 2399. An act for the relief of Joseph W. Beyer;

H. R. 2434. An act for the relief of Ruth A. Hairston;

H. R. 2607. An act for the relief of the legal guardian of George Wesley Hobbs, a minor;

H. R. 3303. An act to stimulate volunteer enlistments in the Regular Military Establishment of the United States;

H. R. 3484. An act to transfer the Remount Service from the War Department to the Department of Agriculture;

H. R. 3511. An act to extend the provisions of section 1 (e) of the Civil Service Retirement Act of May 29, 1930, as amended, until June 30, 1948; and

H. J. Res. 193. Joint resolution to grant authority for the erection of a permanent building for the American National Red Cross, District of Columbia Chapter, Washington, D. C.

The message also announced that the Speaker had affixed his signature to the following bills and joint resolutions, and they were signed by the President pro tempore:

H. R. 310. An act to authorize the Secretary of War to permit the delivery of water from the District of Columbia and Arlington County water systems to the Falls Church or other water systems in the metropolitan area of the District of Columbia in Virginia;

H. R. 360. An act for the relief of the legal guardian of Francis Eugene Hardin, a minor;

H. R. 468. An act to amend section 115 of the Internal Revenue Code in respect of distributions by personal holding companies;

H. R. 620. An act for the relief of Blanche E. Broad;

H. R. 651. An act for the relief of the estate of Rubert W. Alexander;

H. R. 723. An act for the relief of the legal guardian of Hunter A. Hoagland, a minor;

H. R. 765. An act for the relief of Elwood L. Keeler;

H. R. 888. An act for the relief of certain owners of land who suffered loss by fire in Lake Landing Township, Hyde County, N. C.;

H. R. 925. An act for the relief of Therese R. Cohen;

H. R. 1065. An act for the relief of the estate of Thomas Gambacorto;

H. R. 1221. An act for the relief of Eva Bilobran;

H. R. 1237. An act to regulate the marketing of economic poisons and devices, and for other purposes;

H. R. 1344. An act to admit the American-owned ferry *Crosline* to American registry and to permit its use in coastwise trade;

H. R. 1412. An act to grant to the Arthur Alexander Post, No. 68, the American Legion, Belzoni, Miss., all of the reversionary interest reserved to the United States in lands conveyed to said post pursuant to act of Congress approved June 29, 1938;

H. R. 1482. An act for the relief of the legal guardian of Gilda Cowan, a minor;

H. R. 1624. An act to authorize payment of allowances to three inspectors of the Metropolitan Police force for the use of their privately owned motor vehicles, and for other purposes;

H. R. 1674. An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes;

H. R. 2207. An act to authorize the Secretary of the Interior to convey certain lands within the Shiloh National Military Park, Tenn., and for other purposes;

H. R. 2237. An act to correct an error in section 342 (b) (8) of the Nationality Act of 1940, as amended;

H. R. 2257. An act for the relief of Southeastern Sand & Gravel Co.;

H. R. 2353. An act to authorize the patenting of certain public lands to the State of Montana or to the Board of County Commissioners of Hill County, Mont., for public-park purposes;

H. R. 2368. An act to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of $3,000,000 as a revolving fund in lieu of $1,500,000 now authorized, and for other purposes;

H. R. 2852. An act to provide for the addition of certain surplus Government lands to the Otter Creek Recreational Demonstration Area, in the State of Kentucky;

H. R. 2872. An act to amend further section 4 of the Public Debt Act of 1941, as amended, and clarify its application, and for other purposes;

H. R. 3143. An act to authorize the construction, operation, and maintenance of the Paonia Federal Reclamation project, Colorado;

H. R. 3151. An act to grant a certain water right and a certain parcel of land in Clark County, Nev., to the city of Las Vegas, Nev.;

H. R. 3197. An act to authorize the Secretary of the Interior to contract with the Mancos Water Conservancy District increasing the reimbursable construction cost obligation of the district to the United States for construction of the Mancos project and extending the repayment period;

H. R. 3348. An act to declare the policy of the United States with respect to the allocation of costs of construction of the Coachella Division of the All-American irrigation project, California;

H. R. 3604. An act to authorize the Methodist Home of the District of Columbia to make certain changes in its certificate of incorporation with respect to stated objects;

H. J. Res. 188. Joint resolution authorizing the erection on public grounds in the city of Washington, D. C., of a memorial to the dead of the First Infantry Division, United States Forces, World War II; and

H. J. Res. 210. Joint resolution to extend the time of the release, free of estate and gift tax, of certain powers, and for other purposes.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General, transmitting, pursuant to law, a report reciting the facts and pertinent provisions of law in the cases of 139 individuals whose deportation has been suspended for more than 6 months by the Commissioner of Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension (with accompanying papers); to the Committee on the Judiciary.

CODE FOR HEALTH AND SAFETY IN BITUMINOUS-COAL AND LIGNITE MINES

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation establishing a code for health and safety in bituminous-coal and lignite mines of the United States the products of which regularly enter commerce or the operations of which substantially affect commerce (with an accompanying paper); to the Committee on Public Lands.

TRANSFER OF LANDS IN FORT WINGATE MILITARY RESERVE, N. MEX.

A letter from the Under Secretary of the Interior, transmitting a draft of proposed legislation to authorize the transfer of lands in the Fort Wingate Military Reserve, N. Mex., from the War Department to the Interior Department (with an accompanying paper); to the Committee on Armed Services.

PETITIONS

Petitions, etc., were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

Petitions of sundry citizens of the State of Florida, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

A letter in the nature of a petition, from Mrs. Edith Schubert, of Detroit, Mich., calling attention to the Constitution of the International Refugee Organization in its relation to relief for Germany; to the Committee on Foreign Relations.

UNIVERSAL MILITARY TRAINING—ILLINOIS LEGISLATURE JOINT RESOLUTION

Mr. BROOKS. Mr. President, I ask unanimous consent to present for appropriate reference House Joint Resolution No. 34, passed by the house of representatives and concurred in by the Senate of the State of Illinois, relating to universal military training.

There being no objection, the joint resolution was received, ordered to lie on the table, and, under the rule, ordered to be printed in the RECORD, as follows:

House Joint Resolution 34

Whereas this Nation now stands at the crossroads of what will surely be the most fateful period in its history; and

Whereas despite the magnitude of the victory in World War II, the time has not yet come when peace-loving nations may neglect their defenses or lay aside their arms; and

Whereas a plan of universal military training, embodied in Senate bill 651, and House bill 1988, has been introduced in Congress, at the suggestion of the American Legion, which plan provides for 1 year's training composed of 4 months of basic training and 8 months of advanced study in military schools, colleges, ROTC courses, or in the armed forces, the organized Reserve, or the

National Guard, with a choice of Army, Navy, or Air Force as a field of training; and

Whereas this year of training for every young man, coming sometime between his eighteenth and twentieth birthdays, would be valuable not only to the young men individually but of immeasurable benefit to the Nation in providing a continuing reserve of trained and capable manpower skilled in the technique of modern scientific warfare: Therefore be it

Resolved by the House of Representatives of the Sixty-fifth General Assembly of the State of Illinois (the senate concurring herein), That we endorse the plan embodied in the bills now before Congress as a vital step in the preservation of our strength and freedom; that a copy of this preamble and resolution be forwarded by the secretary of state to each Illinois Member of Congress at Washington.

Adopted by the house May 21, 1947.

Concurred in by the senate June 4, 1947.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KNOWLAND:

S. 1465. A bill for the better assurance of the protection of persons within the several States from mob violence and lynching, and for other purposes; to the Committee on Labor and Public Welfare.

S. 1466. A bill for the relief of Michele Reverdito; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 1467. A bill to authorize the construction of a railroad siding in the vicinity of Franklin Street NE., District of Columbia; to the Committee on the District of Columbia.

By Mr. CHAVEZ:

S. 1468. A bill providing for payment of $50 to each enrolled member of the Mescalero Apache Indian Tribe from funds standing to their credit in the Treasury of the United States; to the Committee on Public Lands.

By Mr. ECTON:

S. 1469. A bill authorizing the Secretary of the Interior to issue a patent in fee to Gifford Monroe; to the Committee on Public Lands.

By Mr. GURNEY (by request):

S. 1470. A bill to amend the act entitled "To make provision for the care and treatment of members of the National Guard, Organized Reserves, Reserve Officers' Training Corps, and citizens' military training camps who are injured or contract disease while engaged in military training, and for other purposes," approved June 15, 1936, as amended; to the Committee on Armed Services.

By Mr. FULBRIGHT:

S. 1471. A bill for the relief of H. H. Parrot; to the Committee on Labor and Public Welfare.

By Mr. BROOKS:

S. 1472. A bill for the relief of Francesco Ambrosio; to the Committee on the Judiciary.

By Mr. LANGER:

S. 1473. A bill for the relief of Paul Knauer; to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 1474. A bill for the relief of Annie Blackmon; to the Committee on the Judiciary.

By Mr. BUTLER:

S. J. Res. 130. Joint resolution establishing a code for health and safety in bituminous coal and lignite mines of the United States the products of which regularly enter commerce or the operations of which substantially affect commerce; to the Committee on Public Lands.

By Mr. MARTIN:

S. J. Res. 131. Joint resolution providing for the representation of the Government and people of the United States in the observance of the two hundredth anniversary of the founding of the city of Reading, Pa.; to the Committee on the Judiciary.

EMPLOYMENT OF TEMPORARY ASSISTANTS, ETC., BY COMMITTEE ON APPROPRIATIONS

Mr. BRIDGES submitted the following resolution (S. Res. 129), which was referred to the Committee on Appropriations:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, the Committee on Appropriations, or any duly authorized subcommittee thereof, is authorized to make such expenditures, and to employ upon a temporary basis such investigators, and such technical, clerical, and other assistants, as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee on Appropriations.

DISTRICT SCHOOL TEACHERS' SALARIES—AMENDMENTS

Mr. JOHNSTON of South Carolina (for himself, Mr. CAPPER, Mr. COOPER, Mr. HOLLAND, Mr. McGRATH, Mr. SPARKMAN, and Mr. UMSTEAD) submitted amendments intended to be proposed by them, jointly, to the bill (H. R. 3611) to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes, which were ordered to lie on the table and to be printed.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H. R. 379. An act for the relief of Kuo Yu Cheng;

H. R. 431. An act for the relief of the Columbia Hospital of Richland County, S. C.;

H. R. 553. An act for the relief of Arsenio Acacio Lewis;

H. R. 645. An act for the relief of Ben W. Colburn;

H. R. 649. An act for the relief of Antonio Belaustegui;

H. R. 710. An act for the relief of Fritz Hallquist;

H. R. 988. An act to confer jurisdiction upon the District Court of the United States for the Western District of Kentucky to hear, determine, and render judgment upon the claims of certain property owners adjacent to Fort Knox, Ky.;

H. R. 1162. An act for the relief of Persis M. Nichols;

H. R. 1493. An act for the relief of Anna Malama Mark;

H. R. 1508. An act for the relief of Mrs. Lula Wilson Nevers;

H. R. 1652. An act to provide for the naturalization of certain United States Army personnel—Yugoslav fliers;

H. R. 1737. An act for the relief of Owen R. Brewster;

H. R. 1800. An act for the relief of David Hickey Post, No. 235, of the American Legion;

H. R. 2056. An act for the relief of J. C. Bateman;

H. R. 2306. An act for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts;

H. R. 2399. An act for the relief of Joseph W. Beyer;

H. R. 2434. An act for the relief of Ruth A. Hairston; and

H. R. 2607. An act for the relief of the legal guardian of George Wesley Hobbs, a minor; to the Committee on the Judiciary.

H. R. 1486. An act to authorize and direct the Secretary of the Interior to issue to Alice Scott White a patent in fee to certain land; and

H. R. 2151. An act authorizing the Secretary of the Interior to issue a patent in fee to Erle E. Howe; to the Committee on Public Lands.

H. R. 1845. An act to amend existing laws relating to military leave of certain employees of the United States or of the District of Columbia so as to equalize rights to leave of absence and reemployment for such employees who are members of the Enlisted or Officers' Reserve Corps, the National Guard, or the Naval Reserve, and for other purposes; and

H. R. 3484. An act to transfer the Remount Service from the War Department to the Department of Agriculture; to the Committee on Armed Services.

H. R. 3511. An act to extend the provisions of section 1 (e) of the Civil Service Retirement Act of May 29, 1930, as amended, until June 30, 1948; to the Committee on Civil Service.

H. J. Res. 193. Joint resolution to grant authority for the erection of a permanent building for the American National Red Cross, District of Columbia Chapter, Washington, D. C.; to the Committee on Foreign Relations.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. AIKEN. Mr. President, I ask unanimous consent that the subcommittee of the Committee on Labor and Public Welfare considering the antidiscrimination bill may sit during the session of the Senate today.

I also ask consent that the Committee on Agriculture and Forestry may sit at 2 o'clock today for the purpose of hearing witnesses who have to leave town, who were supposed to testify this morning.

The PRESIDENT pro tempore. Without objection, the order is made in each instance.

Mr. FERGUSON. Mr. President, I ask unanimous consent to be permitted to hold a surplus-property hearing this afternoon while the Senate is in session.

The PRESIDENT pro tempore. Without objection, the order is made.

HENRY WALLACE AND THE SOUTHERN CONFERENCE FOR HUMAN WELFARE—EDITORIAL FROM NASHVILLE BANNER

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "Henry and the SCHW," published in the Nashville Banner of June 13, 1947, which appears in the Appendix.]

TAX REDUCTION—EDITORIAL FROM THE WASHINGTON NEWS

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial regarding tax reduction from the Washington News of June 18, 1947, which appears in the Appendix.]

WHEN A RIVER'S FLOODS ARE COUNTED UP—EDITORIAL FROM ARKANSAS GAZETTE

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an editorial entitled "When a River's Floods Are Counted Up," published in the Arkansas Gazette of June 12, 1947, which appears in the Appendix.]

EXCHANGE STUDENTS—EDITORIAL FROM HARTFORD (CONN.) COURANT

[Mr FULBRIGHT asked and obtained leave to have printed in the RECORD an editorial entitled "Exchange Students," published in the Hartford (Conn.) Courant of June 13, 1947, which appears in the Appendix.]

NO TAX RELIEF—EDITORIAL FROM PITTSBURGH POST-GAZETTE

[Mr. MYERS asked and obtained leave to have printed in the RECORD an editorial entitled "No Tax Relief," published in the Pittsburgh Post-Gazette of June 17, 1947, which appears in the Appendix.]

COURTS MARTIAL IN GERMANY

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD three letters from soldiers in Germany relative to court-martial proceedings there, which appear in the Appendix.]

REPORT OF JUDGE OF JUVENILE COURT OF THE DISTRICT OF COLUMBIA

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and referred to the Committee on the District of Columbia.

(For President's message, see today's proceedings of the House of Representatives on p. 7252.)

AMENDMENT OF INTERSTATE COMMERCE ACT WITH RESPECT TO CERTAIN AGREEMENTS BETWEEN CARRIERS

The Senate resumed the consideration of the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between carriers.

The PRESIDENT pro tempore. Senate bill 110, the unfinished business, is before the Senate, and under the unanimous consent agreement entered into heretofore a vote on that bill is to be taken at 4 o'clock this afternoon, the time from 2 o'clock onward to be equally divided between the proponents and the opponents.

Mr. REED. Mr. President, the Senator from Wyoming [Mr. O'MAHONEY] offered several amendments to Senate bill 110, which is the unfinished business and will come before the Senate at 2 o'clock, or after the conference report on the so-called wool-support bill has been disposed of. I have discussed the amendments with the Senator from Wyoming, and on behalf of the committee which reported the bill, I will accept a part of them.

In order to simplify matters on the floor, I ask unanimous consent that I may have a print of a bill including the amendments which I am willing to accept. I ask unanimous consent that such a print be made, and lie upon the table.

The PRESIDENT pro tempore. Without objection, the order is made.

PRICE-SUPPORT PROGRAM FOR WOOL—CONFERENCE REPORT

Mr. WHERRY. I inquire if any arrangement has been made regarding the conference report on the so-called wool-support bill.

The PRESIDENT pro tempore. Conference reports are in order at any time.

Mr. AIKEN. Mr. President——

Mr. WHERRY. I am very glad to yield to the Senator from Vermont.

Mr. AIKEN. If the Senator from Vermont has recognition, at this time I wish to submit the conference report on Senate bill 814, which is the so-called wool-support bill.

I understand, however, that beginning at 2 o'clock, the time on the unfinished business, Senate bill 110, is to be equally divided until a vote is taken on that measure at 4 o'clock; so if the conference report on the wool support bill is still before the Senate at that time its consideration will have to be suspended until after action on the so-called Bulwinkle bill.

The PRESIDENT pro tempore. The Senator from Vermont is correct.

Does the Senator from Vermont submit the conference report?

Mr. AIKEN. Yes; I submit the conference report, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The conference report will be read.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 814) to provide support for wool, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, and 3, and agree to the same.

Amendment numbered 4: That the Senate recede from its disagreement to the amendment of the House numbered 4, and agree to the same with an amendment, as follows: On page 3 of the House engrossed amendments, beginning with the word "That" in line 16, strike out through and including the period in line 18, and insert in lieu thereof the following: "That no proclamation under this section with respect to wool shall be enforced in contravention of any treaty or international agreement to which the United States is now a party."

And the House agree to the same.

GEORGE D. AIKEN,
MILTON R. YOUNG,
ELMER THOMAS,
HARLAN J. BUSHFIELD,
ALLEN J. ELLENDER,
Managers on the Part of the Senate.

CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
ANTON J. JOHNSON,
WILLIAM S. HILL,
STEPHEN PACE,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. WHERRY. Mr. President, since the Senate is about to consider the conference report on the so-called wool-support bill, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Bridges	Cain
Baldwin	Brooks	Capehart
Ball	Buck	Capper
Barkley	Bushfield	Chavez
Brewster	Butler	Connally
Bricker	Byrd	Cooper
Donnell	Kilgore	Pepper
Downey	Knowland	Reed
Dworshak	Langer	Revercomb
Eastland	Lucas	Robertson, Va.
Ecton	McCarran	Robertson, Wyo.
Ellender	McCarthy	Russell
Ferguson	McClellan	Saltonstall
Flanders	McFarland	Smith
Fulbright	McGrath	Sparkman
George	McKellar	Stewart
Green	McMahon	Taft
Gurney	Magnuson	Taylor
Hatch	Malone	Thye
Hawkes	Martin	Tydings
Hayden	Maybank	Umstead
Hickenlooper	Millikin	Vandenberg
Hill	Moore	Watkins
Hoey	Morse	Wherry
Holland	Murray	White
Ives	Myers	Wiley
Jenner	O'Conor	Williams
Johnson, Colo.	O'Daniel	Wilson
Johnston, S. C.	O'Mahoney	Young
Kem	Overton	

Mr. WHERRY. I announce that the Senator from Oregon [Mr. CORDON] is absent by leave of the Senate.

The Senator from Massachusetts [Mr. LODGE] is necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from Oklahoma [Mr. THOMAS] is absent by leave of the Senate.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-nine Senators having answered to their names, a quorum is present.

The question is on agreeing to the conference report on Senate bill 814.

Mr. AIKEN obtained the floor.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. AIKEN. For what purpose?

Mr. TYDINGS. I wish to inquire of the Senator from Vermont whether he desires to hold the floor for any considerable length of time?

Mr. AIKEN. I intend to hold it only long enough to explain the conference report on the so-called wool-support bill.

Mr. TYDINGS. My reason for making the inquiry is that yesterday a few misstatements were made about the postmaster resolution as it affects Maryland. I should like an opportunity early in the session, if possible, to state the true facts.

Mr. AIKEN. I hope that the conference report on the wool-support bill may be disposed of before the consideration of the Bulwinkle bill is resumed. For that reason, I should rather not yield at this time. I am sure the Senator's remarks will be just as applicable at some other time as they are right now.

EMERGENCY FLOOD RELIEF

Mr. REVERCOMB. Mr. President, I should like to ask unanimous consent at this time to lay aside temporarily the pending business and take up the emergency flood-relief bill. I do so because it is really an emergency measure. It was placed upon the calendar only yesterday. Many thousands of people are homeless. I might say, and more than a million acres have been inundated by recent floods. Money is needed immediately to cope with this emergency and to provide

for emergency flood-control work. I think the bill will not cause much debate, so I ask the Senator from Vermont to yield if he will for that purpose.

Mr. AIKEN. Does the Senator intend to ask that the conference report on the wool-support bill be laid aside?

Mr. REVERCOMB. I was going to ask unanimous consent that the conference report be temporarily laid aside.

Mr. AIKEN. I do not think that would be advisable inasmuch as we hope to dispose of the report within a very short time. The wool bill itself deals with an emergency matter for a million or more wool growers of this country. I believe we should give all relief we can or should to the sufferers from the floods, but the conference report on the wool bill deals with a subject which has been before Congress so long that it seems to me if action is going to do any good at all, it must be taken immediately.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield for a brief observation.

Mr. HICKENLOOPER. I can say that in my section we are tremendously interested in the proposed emergency flood control appropriation. I know of no objection to it. Such action has been taken before in similar situations. The entire southeastern section of my State has been subject in the last 2 weeks to three unprecedented floods in three of our large rivers. A good many counties are being evacuated. Farm lands in Iowa which have never before been covered by flood waters are now completely ruined. There is no money, as I understand, in the hands of the Army engineers for the immediate repair of levees and of other installations which would stop further devastation.

I call the attention of the Senator from Vermont to the fact that yesterday there occurred over this territory another 4- to 5-inch rain, which will perhaps bring up a fourth crest of record height. I have been on the telephone almost constantly for the past 3 or 4 days in consultation with persons in these devastated areas. I know that in Illinois a similar situation prevails. I cannot too strongly impress upon the Senator from Vermont the vital need for having this emergency money placed in the hands of the Army engineers and the authorities in the flooded regions through the emergency legislation we propose to have acted upon now.

I will say, Mr. President, that if there is any objection to the bill, if it cannot be passed immediately, I would be in sympathy with the position taken by the Senator from Vermont. But I have the impression that there is no objection to the emergency appropriation, which is a matter of life and death literally, because by reason of the flood a number of lives have been lost in the State of Iowa, and countless millions of dollars in property and in top soil also have been lost. Prompt action on the measure will result in saving other property and top soil.

Mr. REVERCOMB. Mr. President, will the Senator from Vermont yield to me for a short statement?

Mr. AIKEN. Yes, I yield; but I should like to say both to the Senator from West Virginia and to the Senator from Iowa that if it appears that the discussion on the conference report on the wool bill is going to be long drawn out, then I shall be glad to have it temporarily set aside, but the conference report also deals with an emergency matter, an emergency affecting wool. There is now no wool-support program in effect. I understand that thousands of farmers in order to meet obligations, are being forced to dispose of their wool at a price far below the market price. It seems to me we can dispose of the conference report in a very short time.

Mr. President, my own State has been hard hit by floods, but I do not think delay in acting on the flood-control bill until 4 o'clock today, or perhaps 1:30 o'clock, would result in any great loss. I hope we can dispose of the conference report in a relatively short time. Further, I understand the bill proposed to be taken up by the Senator from West Virginia calls for an appropriation.

Mr. REVERCOMB. That is correct. I will say to the Senator that I do not believe there will be discussion of this emergency matter, once it is explained. I feel it can be disposed of within 10 minutes.

Mr. AIKEN. If I were sure that it would not take more than 10 minutes I would yield for that purpose, but so far as I know, I would have no control over the length of time that the discussion of the emergency flood-control measure might consume.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. BARKLEY. I might suggest to the Senator from Vermont that the conference report on the wool bill will involve some discussion. I doubt whether it would be concluded by the hour of 2 o'clock at which hour, I understand, time will begin to be divided on the so-called Bulwinkle bill.

Mr. AIKEN. That is correct.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. TAFT. I ask the Senator from West Virginia if it is proposed to take up House bill 3792, Calendar No. 294, just as it is, without amendment?

Mr. REVERCOMB. That is correct. There are no amendments to be made.

Mr. TAFT. Could we ascertain now whether any Senator is going to object to that bill? It is on the calendar. If not, it seems to me we might dispose of it in 5 minutes.

Mr. REVERCOMB. Yes; I think it can be disposed of in less time than that.

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from West Virginia for the purpose he has stated?

Mr. AIKEN. Mr. President, I yield to the Senator from West Virginia to make the motion he desires to make.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. The Senator from West Virginia does not propose to make a motion. He proposes to make a unanimous consent request for immediate consideration of the bill.

Mr. AIKEN. I thank the Senator from Nebraska for the correction, which makes the situation seem even better.

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from West Virginia for the indicated purpose?

Mr. AIKEN. I yield.

The PRESIDENT pro tempore. The Senator from West Virginia [Mr. REVERCOMB] asks unanimous consent that the pending business be temporarily laid aside for the purpose of considering House bill 3792, which the clerk will state by title.

The CHIEF CLERK. A bill (H. R. 3792) to provide for emergency flood-control work made necessary by recent floods, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 3792) to provide for emergency flood-control work made necessary by recent floods, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the sum of $15,000,000 is hereby authorized to be appropriated as an emergency fund to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers for the repair, restoration, and strengthening of levees and other flood-control works which have been threatened or destroyed by recent floods, or which may be threatened or destroyed by later floods: *Provided*, That pending the appropriation of said sum, the Secretary of War may allot, from existing flood-control appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, such appropriations to be reimbursed from the appropriation herein authorized when made: *Provided further*, That funds allotted under this authority shall not be diverted from the unobligated funds from the appropriation "Flood control, general," made available in War Department Civil Functions Appropriation Acts for specific purposes.

SEC. 2. The provisions of section 1 shall be deemed to be additional and supplemental to, and not in lieu of, existing general legislation authorizing allocation of flood-control funds for restoration of flood-control works threatened or destroyed by flood.

PRICE-SUPPORT PROGRAM FOR WOOL—CONFERENCE REPORT

The Senate resumed the consideration of the report of the Committee of Conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 814) to provide support for wool, and for other purposes.

Mr. AIKEN. Mr. President, I should like to review very briefly indeed the events which led up to the conference report on the wool bill which is now before the Senate. As every Senator probably knows, when the war began the sheep growers of the United States were hit very hard. They were hit so hard that the number of sheep began to be reduced materially, and the Commodity Credit Corporation, in order to assure an adequate supply of wool, undertook to sustain the support price for wool, and it did so, at one time maintaining a support price of 118 percent of parity.

With the ending of the war, however, and with the President's proclamation of last January 1, which would end the support price on June 30 of this year, the sheep growers were left without any support whatsoever for the price of the wool which they are producing.

In the meantime, from the years 1942 to 1947 the number of sheep in this country dropped from 49,000,000 to approximately 32,500,000, and wool production dropped from approximately 455,000,000 pounds in 1942 to an estimated total of 310,000,000 pounds in 1947.

Congress has provided, through the Steagall amendment, for support prices for many other farm commodities, to run until December 31, 1948, but the wool growers were left high and dry, and there is every indication that there is going to be a still further decline in the production of wool below its present low level, unless something is done to maintain a support price which will make it possible for our farmers to produce wool.

There is no question that for national security wool is a most strategic material. Therefore this spring several bills were introduced in the House and the Senate to provide for maintaining a support price for wool for this year's and next year's crop, or so long as the Steagall amendment provides a support price with a floor for other farm commodities.

The Committee on Agriculture and Forestry of the Senate held hearings the last week in March and the first day of April, and reported a bill, which was passed by the Senate.

Let me say, first, that the purposes of the several bills which have been introduced are two: First, to place a floor under the price of wool which will encourage American sheep growers to continue producing wool, so that we may not become wholly dependent on a source of supply thousands of miles away. The other purpose is to authorize the Commodity Credit Corporation to dispose of an accumulation of approximately 460,000,000 pounds of wool at a price which the market will pay. Much of this wool is of lower grade, and will not bring the full market price anyway. The Commodity Credit Corporation has been prohibited from disposing of this wool at any price less than parity, and as the market price for the wool was less than parity it has been unable to dispose of it as rapidly as seemed advisable. So the bill which was considered by the Senate Committee on Agriculture and Forestry last March carried these two provisions.

At the time hearings were held representatives of the Department of Agriculture appeared before the committee. They approved the bill. They said that it would be necessary to maintain a support price for wool if we were to continue to produce wool. They also wanted authority to dispose of the accumulation of 460,000,000 pounds of wool which they held at that time at the market price. However, they suggested that, if they started selling that wool at the market price, foreign competition might drop the price just below it, and soon there would be a price war, with a demoralized wool market for everyone. Therefore the Department of Agriculture suggested that some safeguard be placed in the bill authorizing the Secretary of Agriculture either to establish quotas or impose additional fees on wool which otherwise might be imported in such amount and at such prices as would completely demoralize the domestic market and prevent the Commodity Credit Corporation from disposing of the wool which it had on hand.

Members of the Committee on Agriculture and Forestry realized that we could not comply with the suggestion of the Department of Agriculture to provide for the imposition of higher fees on imported wool in the event that the domestic market appeared to be destroyed or that it was impossible to maintain a price support program, because the imposition of fees would naturally affect the revenues of the Government, and such legislation must originate in the House. Therefore when we reported the bill to the Senate we recommended that the House in its consideration of the bill adopt such an amendment as would permit the Government to impose fees or quotas if necessary.

I wish to say in all fairness that the State Department did not appear before the Committee on Agriculture and Forestry to testify on this bill. The State Department has since indicated its disapproval of the amendment which the House adopted, but at the time the Senate committee made the recommendation it was not aware of the opposition of the State Department.

The bill came back to the Senate, and conferees were appointed. The conferees of the House and Senate held several meetings. The House was adamant in insisting upon retaining the provision which the House had placed in the bill, which provided that the President could impose fees or quotas on imports of wool. We held a number of meetings, but got nowhere. As for myself, I would have been perfectly willing to have brought the bill back to the Senate without the House amendment, but the House conferees were anything but willing. In fact, they said they could not possibly get a bill through the House without that amendment.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. AIKEN. I shall be glad to yield in a moment.

So in order to get the bill before the Senate for as prompt action as possible so that we might determine just what we were going to do and whether we were to support the price of wool or not, the Senate conferees agreed to the House amendment, with an amendment qualifying it, and brought it back to the Senate, and it is now before us for action.

Before yielding to the Senator from Georgia, let me say that the House amendment originally provided for the imposition of fees only. The amendment which was adopted in conference provides that the President may impose either fees or quotas.

I now yield to the Senator from Georgia.

Mr. RUSSELL. Mr. President, is there anything in the bill which makes it mandatory on the President to impose either fees or quotas? Is there any standard fixed in the bill which requires him, in view of certain conditions, to impose fees or quotas? Or is it wholly discretionary with the President as to whether he shall or shall not impose them?

Mr. AIKEN. As I interpret the amendment, it is discretionary with the President. What the amendment does is to apply to wool the provisions of section 22 of the Agricultural Adjustment Act. The Senator from Georgia probably knows that section 22 already covers 20 or more agricultural commodities. It has been made use of by President Roosevelt, and by President Truman in the case of cotton last winter. Wool was left out of the list of commodities covered by section 22. The purpose of the amendment which was placed in the bill by the House, and which has been agreed to by the Senate conferees, is to add wool to the list of such commodities.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. SALTONSTALL. The Senator from Vermont has answered the question of the Senator from Georgia, if I correctly understood him to the effect that there is nothing compulsory upon the President to issue such an order. I interpret the section quite differently from the way the Senator from Vermont interprets it. The words are that if certain facts appear on the surface the President shall—

> cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts.

Then—

> If on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees—

And so forth. It seems to me that the language is certainly open to the interpretation that if the Tariff Commission determines as a result of an investigation that certain facts exist the President must impose fees or limitations.

Mr. AIKEN. I understand that different interpretations are being placed upon section 22 and the proposed amendment which has been agreed to by the conferees. However, it seems to me that it is optional with the President, because the Tariff Commission cannot take any action until instructed by the President. I might add that this provision has been taken advantage of twice, once in the case of wheat and once in the case of cotton. Nevertheless, recently there has been a surplus of potatoes in this country while potatoes were being imported from Canada, and the President has taken no action to prevent the importation of four or five million bushels of potatoes. If the President did not feel called upon to take action in the case of potatoes, I know of nothing which would compel him to take action in the case of wool unless he so desired.

Mr. SALTONSTALL. On page 4 of the bill as it comes from the conference, in line 15, it is provided that if the President finds the existence of certain facts—

he shall by proclamation impose such fees on or such limitations on the total quantities of, any article or articles which may be entered, or withdrawn from warehouse, for consumption—

Then in lines 11 to 13 on page 5, there is the proviso—

That no limitation shall be imposed on the total quantities of wool or products thereof which may be entered or withdrawn from warehouse for consumption.

Are not these two provisions contradictory?

Mr. AIKEN. The second provision was stricken out in conference. The proviso which said that no limitation "shall be imposed on the total quantity of wool or products thereof," and so forth, has been stricken out. That is the one which would prevent the imposition of quotas.

First of all, any action must be initiated by the President. No one else can start any action to impose either fees or quotas. If the President finds that the domestic market is being demoralized, that it is impossible to maintain a support price program because of unusually heavy receipts into this country, he may direct the Tariff Commission to make an investigation. If the Tariff Commission should find that, in fact, our domestic market was being demoralized, then the President might, for such time as he saw fit, impose fees or quotas. He may impose fees up to the amount of 50 percent of the tariff, but he is not required to do that. He may impose a fee of 1 percent or 2 percent, or whatever he sees fit, up to 5 percent.

But what I want to make clear is that any action must start with the President.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from North Dakota.

Mr. YOUNG. The Senator from Vermont brought out one point which I wish to emphasize; namely, the provision adopted by the House that import fees may be imposed in order to prevent dumping by foreign markets. Of course the State Department and the President could, if they wanted to, raise import fees sufficiently high so that there would be no costs. That is another thing that is disconcerting to the wool growers and to farmers in general—the cry against subsidies which are necessary to support farm prices. The President could, if he would, go to the extent of raising the import fees high enough so that no support price program would be necessary at all.

Mr. AIKEN. I thank the Senator from North Dakota.

I want to say that there is no indication that the President would ever be called upon to impose either fees or quotas during the next 18 months. For that reason I felt that the amendment was unnecessary. But the House felt otherwise. I do not see how there can come the harm from this amendment which some of its critics claim will come from it. I realize that it has stirred up a furor around the world and that some countries, particularly wool-growing countries, have been given the idea that we are starting something which is eventually going to shut them out of our market. That would not be the case, because we are dependent on them already for 60 percent of the wool which we use in this country. We have got to have that much from them anyway.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. AIKEN. But with the market as it is today, which is a rising market, it occurs to me that if the Commodity Credit Corporation would dispose of the wool it has on hand there would be very little, if any, loss to the Government, and no harm whatsoever to the growers in foreign countries.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield first to the Senator from Massachusetts, and then to the Senator from New Mexico.

Mr. SALTONSTALL. I should like to ask the Senator from Vermont a question. When the bill passed the Senate it contained a provision in section 5 that disposition of any accumulated stocks should not be so made as to disrupt the domestic market. That provision was stricken out, and section 5 now reads as follows:

The Commodity Credit Corporation may, until December 31, 1948, dispose of wool owned by it without regard to any restriction imposed upon it by law.

My question is: May that not lead to disruption of the market? Was not the Senate provision a much better provision?

Mr. AIKEN. That is an amendment which was put in by the House and which was agreed to by the Senate conferees because we were sure that the Commodity Credit Corporation itself would not deliberately market the wool in such a way as to disrupt the market. Either the Senate or House provision is entirely acceptable to me. I think that either one assures adequate protection; but I think that without either provision the Commodity Credit Corporation still would not market the wool in such a manner as to disrupt the market. They wanted some language put in so that no one could say that they had been told to sell it all at once.

Mr. SALTONSTALL. May I ask a further question of the Senator?

Mr. AIKEN. Yes; I yield further.

Mr. SALTONSTALL. I wonder if the Senator from Vermont understood the previous question which I asked him, because I have a copy of Senate bill 814 as it was amended in conference, and lines 16 to 19 on page 4 would seem to indicate that the President could prevent withdrawal from warehouses; and then on page 5 of the bill, lines 11 to 13, there is a proviso which indicate that he cannot. I repeat my former question: Are not those two provisions conflicting?

Mr. AIKEN. They were conflicting. In fact, the one on page 4 permitted the President to impose quotas. Then in lines 11 to 13, page 5, he was in effect prohibited from imposing quotas. The sentence in lines 11 to 13, on page 5, was stricken out in conference. The original House amendment required him practically to impose fees, but as amended in conference he is authorized to exercise the use of either increased fees or quotas.

I now yield to the Senator from New Mexico.

Mr. HATCH. I merely want to ask the Senator a question to clarify the situation somewhat. I think his explanation has been very clear, but I am not sure that it is understood, as, for instance, with reference to the life of this measure. When will it expire? I understand that the support price provision will end December 31, 1948.

Mr. AIKEN. The support price provision will end December 31, 1948. The Senate provided that the support price would be maintained for the 1947 and 1948 clip. The House amended that to provide that all payments must be made before December 31, 1948. Under the Senate version it might have been carried over a year or two and the Government would still be liable for support prices. I think the House provision is better.

Mr. HATCH. Is it the thought of the Senator from Vermont, who has given a great deal of study to this subject, that by this bill there is being established any permanent policy, or is it to meet the situation as presently existing?

Mr. AIKEN. I think the Senator has the correct idea, that it is regarded as an emergency measure to give the wool growers the same protection that the producers of many other agricultural commodities enjoy under the Steagall amendment until December 31, 1948. I feel, and I think the entire agricultural industry feels, that before that time comes we must work out a more permanent policy and program for agriculture in this country if we are to maintain a strong and stable agriculture. This is a temporary support price to cover this year's crop, which has just been sheared, and next year's crop which will be sheared next spring.

Mr. HATCH. Does the Senator from Vermont entertain the thought that this measure constitutes an arbitrary, mandatory rise in the wool tariff?

Mr. AIKEN. Absolutely not. In fact, I do not expect that the President will even consider raising the fees or imposing quotas, because the wool market is growing stronger month by month. I have hopes that the Commodity Credit Corporation can dispose of the 460,000,000 pounds they have without any loss whatsoever to the Government. But that is not very likely, because the accumulation has been picked over and the better grades have been used, so that most of the poorer grades still remain.

Mr. HATCH. I recognize the Senator's deep interest in international affairs as well as in domestic affairs. Does the Senator see anything in this bill which will complicate any of our international relations?

Mr. AIKEN. I do not see anything in it, as it is, that should complicate international relations. The only thing that might complicate international relations is that it could be interpreted, if people

were so minded, as indicating a trend toward economic isolationism on the part of the United States. But that is a state of mind.

I do not see anything in the conference report itself which would lead to international complications. When we send this report down to the President, as I think we shall, he can veto it if he so desires. I am not sure whether the State Department will recommend a veto. I am sure that the Department of Agriculture is not likely to recommend a veto.

If the President vetoes it, the chances are that there will be no support price for wool in the United States for the next 2 years. I understand that right now speculators are offering the small western growers 28 cents a pound for their wool, or 10 cents a pound below the world market price. As I understand the situation, they are trying to take advantage of the small producers who have notes due and must have some money in any event.

But if there is any doubt in the President's mind and in the minds of those in the State Department, I believe the President can sign this measure and at the same time issue a reassuring statement that should clarify the international atmosphere.

Mr. HATCH. Mr. President, from what the Senator has just said and also from his experience in the conference with the House conferees, is he completely convinced that the adoption of this conference report and its subsequent enactment into law constitute the only method by which the wool growers of the United States may have any kind of price support program in the future?

Mr. AIKEN. I am afraid the Senator is correct. I did think the House would be willing to pass a straight support price bill. I have serious doubts of that now. In fact, I am inclined to think that if this measure fails of enactment, that will be the end of the wool support price program. I am sorry to have to come to that conclusion, but I do.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ROBERTSON of Virginia. The Senator has just spoken of a reassuring statement that he could give the President and the State Department. I have just talked to Mr. Clayton about this measure. There is no statement that we could give him about these House amendments that would reassure him. He said that the nations with whom he is dealing at Geneva regard this proposed step as a high-tariff, isolationist move, and it is not in keeping with the quota provisions that we have previously applied to farm products of which we produce a surplus. He said that last year we produced 300,000,000 pounds of wool, and consumed a billion pounds, and that normally we import twice as much wool as we produce, and therefore on the basis of the quota provisions of the House amendments we would be going beyond any quota plan under the Agricultural Adjustment Act to support the wool price through the Commodity Credit Corporation, by limiting exports that come into competition with a product which is already in excess supply.

As to the other provision, Mr. Clayton said that while it may be discretionary with the President, nevertheless the nations with whom he is dealing at Geneva take the same attitude that the average newspaper and average person in the United States take, namely, that this is a move in the direction of a higher tariff on a principal commodity of a friendly nation on which in normal times the tariff is equivalent to 100-percent protection, and on which, on the basis of prices last year, which were abnormally high, the tariff was equivalent to a protection of 63 percent.

Mr. President, with all due deference to our distinguished conferees, it appears to me that we are inviting a veto of a measure that is very necessary on behalf of our wool producers, because, on account of the large supply of wool in the hands of the Government, the prospects are that the price of wool will go down in 1948 below 90 percent of parity.

I was happy to join with my distinguished colleague the Senator from Wyoming in a program to list wool as a basic farm crop and to give the wool growers the protection of 90 percent of parity. So far as I know, that is all that the wool growers have requested. That is all that the Virginia wool growers have requested. They would have been happy to get that. They still want it.

If we put this provision into effect, I am satisfied that the State Department will ask the President to veto the bill; and if he does, there will be no likelihood that the Congress will pass the bill over the President's veto, inasmuch as it was adopted by the House by only a very small majority, and certainly there will not be an overwhelming majority in favor of it in the Senate. That will mean that no measure on this subject will be enacted into law, and in that case we shall find that in reaching for a hypothetical advantage in the future, we shall have lost the loaf we want now for the protection of next year's prices.

So, Mr. President, why would not it be logical for us to insist on the bill as passed by the Senate, and reject the conference report, and let it go back to the House of Representatives? In that case, the first vote in the House would be on the question of having the House recede from its position and concur in the position of the Senate. If the House of Representatives should concur in the position of the Senate, the bill then would go to the President as the Senate passed it. If that was not done, the next step in the House of Representatives would be for the House to vote on the question of insisting on its amendments and requesting a further conference.

In any event, we would still have the bill before us, and there would be a chance to enact something on the subject into law.

Mr. AIKEN. Mr. President, I say to the Senator from Virginia that I did not mean to infer that this body should issue any reassuring statement. I meant that when the President signs the bill, he can issue a reassuring statement—to the whole world, if he wishes to do so—to the effect that he sees no possibility of having to apply it. I, myself, should have preferred to see the bill go to the President without the amendment; but I should prefer to see it go to him with the amendment rather than to have a million wool growers in the United States left at the mercy of the buyers, who will pay them far less than even the world market price which they are offering them today.

Mr. ROBERTSON of Virginia. But my colleague will understand that the traders of other nations know what English means, and they will know that the first move in connection with this bill was for a mandatory tariff increase.

Mr. AIKEN. That is correct.

Mr. ROBERTSON of Virginia. Very well. Now we back off and provide for a permissive tariff increase. However, no explanation, in view of the origin of the movement, would satisfy them and reassure them that down in our hearts we do not intend, later on, to creep up on them and keep their wool out of our markets or else make them pay through the nose in order to sell their wool in our markets.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. AIKEN. I yield.

Mr. BARKLEY. The Senator said, in answer to a question, that the bill was temporary.

Mr. AIKEN. I said the support price was temporary.

Mr. BARKLEY. Yes; I wish to point out that the temporary character applies only to the support price.

Mr. AIKEN. I did not say that it applies to anything else.

Mr. BARKLEY. I wish to make that point clear, because the provision we are arguing about will be permanent law.

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. AIKEN. I yield.

Mr. TAFT. The permanent law will be that this may be done so long as there is a support-price program. But that also expires, insofar as permanent law is concerned. It is a law now in effect, and it applies to every agricultural commodity except wool.

This matter is nothing new; this law has been on the statute books. It applies wherever there is an agricultural support-price program. The moment we establish a wool support-price program, it will apply to wool; and the moment the wool support-price program ends on December 31, 1948, it no longer will apply to wool.

So that provision also is dependent upon the time limit, and is effective only to the end of 1948, insofar as wool is concerned.

Mr. BARKLEY. Mr. President, I think the Senator's interpretation of the language, taken as it is from this conference report, is subject to controversy. I do not see anything in the language of this particular amendment, as it comes back to the Senate, which limits it to the period in which an agricultural support price is provided by the Congress.

Mr. TAFT. The Senator will find that in line 4, on page 4: "or the Wool Act of 1947."

The Wool Act of 1947 expires with the support-price program.

Mr. BARKLEY. The Wool Act of 1947 would be the bill we are now discussing, if it shall be enacted.

Mr. TAFT. But let me read the language:

> Whenever the President has reason to believe that any one or more articles are being, or are practically certain to be, imported into the United States under such conditions and in sufficient quantities as to render or tend to render ineffective or materially interfere with any program or operation undertaken, or to reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or the Wool Act of 1947.

So that it seems to be perfectly clear that the moment the support price on wool expires, the application of this section to wool will also expire. That certainly is the way I interpret the provision.

Mr. AIKEN. The Senator from Ohio is correct about that.

Mr. O'MAHONEY. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I desire merely to express my agreement with what has just been said by the Senator from Ohio. The effect of section 22 is bound absolutely by the terms in which the Wool Act of 1947 will be itself affected. That act will expire on the 31st of December 1948, and after that date section 22 will have no application whatsoever to wool, though after that date it will continue to have effect with respect to cotton, with respect to tobacco, with respect to a host of other agricultural products which are now under the section.

Moreover, I think it should be pointed out that before section 22 can become effective to make any change of any kind in the present tariff situation, it will be necessary, first, for the President to reach a decision that the support prices for wool are being undermined. Then it will be absolutely mandatory upon him to direct the Federal Tariff Commission to make an investigation. Then it will be necessary for the Tariff Commission to make the investigation and make its report. Then it will be necessary for the President to act, under the law. I submit that these four steps cannot possibly be taken before the wool law itself will have expired.

There is another factor, however, which has been completely overlooked in this matter. The OPA has ceased to exist. OPA ceiling prices have been removed from every single commodity. But the bill provides that wool shall be supported at the OPA ceiling price established during the war. So what we are saying in this measure is merely that the Government of the United States shall come to the aid of the domestic wool producers by guaranteeing to them the old OPA ceiling price, although OPA ceilings have been eliminated with respect to every other product.

With respect to the international phase of the matter, I should like to call attention to the fact that the wool which comes into the United States from abroad is sold here by a state monopoly, the British Joint Organization. All that is sought to be done now is to protect the domestic producers against any injurious effect upon domestic prices of a large dumping by the foreign state selling agency.

Mr. President, I cannot refrain from adding, with the permission of the Senator from Vermont, that in my opinion this section 22 amendment was introduced into the bill for the express purpose of trying to kill the bill, and to put the President upon a political spot. There is not the slightest doubt in my mind that this suggestion came from those who have opposed the wool-support program from the very outset.

Of course when it would seem that the State Department was fearful that it would interfere with the Geneva program, then it was perfectly obvious to the political opponents of the President that a golden opportunity was provided to put him on the spot, and although every effort has been made by the Senate conferees to get this paragraph out—because none of the wool growers have asked for it, no wool-growing organization in the country has asked for it—although the conferees made every effort to get it removed, it was not removed.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield with the permission of the Senator from Vermont.

Mr. AIKEN. I yield that the Senator from Nebraska may ask a question of the Senator from Wyoming.

Mr. WHERRY. I should like to ask how the Wool Growers' Association feels about the conference report as submitted.

Mr. O'MAHONEY. Of course, we would like to have it agreed to, because we know that if the bill is not approved, there will be no possibility of sustaining wool prices, and our domestic producers of wool will be laid open to the competition of the foreign state monopoly.

Mr. BARKLEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from Kentucky?

Mr. AIKEN. I yield to the Senator.

Mr. BARKLEY. I should like to ask the Senator from Wyoming whether it is his understanding that those who want to put the President in a political hole, or on the spot, are willing to jeopardize the entire wool-support program in order to do it?

Mr. O'MAHONEY. I most certainly think they are.

Mr. BARKLEY. It is a great tribute to their good faith to put this provision in the bill.

Mr. AIKEN. Mr. President, I think I can explain the situation.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield for a moment?

Mr. AIKEN. I yield to the Senator from Virginia.

Mr. ROBERTSON of Virginia. Does the Senator from Wyoming concur in the position taken by the Senator from Virginia, that the logical thing for us to do now is to insist upon the Senate bill and let it go back to the House, with the hope that the House will recede and concur in the Senate bill?

Mr. O'MAHONEY. Mr. President, I am sure the Senator may feel that that would be the logical thing to do, but I know from what has already transpired that there is no possibility of the House receding. So I think it would be just wasted effort. The Senator from Vermont will be much better able to answer the Senator than I, because I did not participate in the conference.

Mr. ROBERTSON of Virginia. If the effort fails, the responsibility will be on the House for a situation under which the wool growers of the Nation would get no protection at all in prices next year.

Mr. YOUNG. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield to the Senator from North Dakota.

Mr. YOUNG. As one of the conferees on the bill, I should like to say that I think it was the feeling of most of the Senate conferees—it was my feeling personally—that we favored import fees and quotas, but that we were reluctant to accept these provisions only because they might invite a Presidential veto and thereby postpone enactment of necessary wool-support prices.

I favor import fees and quotas because the President might use them to prevent dumping, and if the cost to the Government in support prices is too great he could impose import fees to the extent of making support prices unnecessary.

Mr. AIKEN. Mr. President, the Senator from Wyoming made the suggestion that there are those who would like to kill the wool-support program, and with that assertion I heartily agree; and that there are those who would like to put the President on the spot, and I can hardly disagree with that statement. It seems to me that possibly both objectives may be accomplished by the bill if we do not watch out. But my objective is to provide a support program for the wool producers of the United States, and I hope that will be done through the bill we are considering. I am not particularly interested in who is to blame for its failure, if it shall fail.

On the 27th of March, when the Committee on Agriculture and Forestry was holding its hearings on the wool bill, Under Secretary of Agriculture Dodd was on the witness stand, and the Senator from Illinois [Mr. LUCAS] asked this question:

> Now, with respect to section 5, do you have any suggestions on that as to how that could be amended? That gives the power.

That means the power to dispose of the surplus wool which the Commodity Credit Corporation has on hand. The following interchange took place:

> Secretary DODD. That is on S. 103?
>
> Senator LUCAS. That is on the O'Mahoney and also on the Robertson (of Wyoming)

bills, S. 103 and S. 814. They are both the same.

Secretary DODD. In regard to the sale?

Senator LUCAS. Yes.

Secretary DODD. I think that could be worked out only to the extent that we were told to liquidate it in slow and orderly manner.

The only thing is I do not want to get caught, for somebody else to take the high-priced market, and for us to take the low.

I do not think it should be changed unless you have something, either an import fee or import quota, because otherwise it would not do any good to hold your wool off the market for 3 or 4 years unless you do something to the other part of it.

Senator LUCAS. I understand that, but do you think section 5 is all right as it is written, which says:

"The Commodity Credit Corporation may, without regard to restrictions imposed upon it by any law, dispose of wool at prices which will permit such wool to be sold in competition with imported wool."

Secretary DODD. I think it is all right unless you have either an import fee or import quota at which time I think there should be an amendment; they should be directed to take 3 or 4 years.

Senator LUCAS. That would give you or your successor the power to dump all of this overnight if you wanted to do it.

Secretary DODD. And personally I think it would be a terrible thing.

Senator LUCAS. That is the point, and there is a question in my mind whether there should not be some language which would restrict or limit such power

Secretary DODD. You would not want to restrict unless you had some control on imports.

Senator LUCAS. What I am talking about is selling it in an orderly fashion in line with what the world market will absorb without depressing the price. That is the point.

Secretary DODD. I am 100 percent for it but I think before we did that we should have either an import fee or import quota so that it could be exercised.

If the section 22 amendment went in so you could invoke that, then yes, I would like to see that.

And then, 2 days later, Under Secretary Dodd came back, and the Senator from Missouri [Mr. KEM] asked the following question:

Senator KEM. There is another thing about which I have been concerned.

As I recall, the first day you appeared before the committee and discussed the wool situation, you recommended that there be an import quota provision in the law. Are you still of that opinion?

Secretary DODD. I believe I made the statement, Senator, that I thought if you continued to have the support price, that something would have to be done about imports, either an import fee or some other method.

Senator KEM. Is that still your opinion?

Secretary DODD. Yes, it is.

So while there may be those in Congress who would like to kill a wool support-price program and embarrass the President, yet I am sure the Department of Agriculture, which originally suggested the amendment, had no desire either to kill the program or to embarrass the President. But it appears that there has developed a decided difference of opinion between Mr. Clayton, of the State Department, and the Department of Agriculture.

Finally, I received a letter, which I will place in the RECORD, signed by Mr. Dodd, of the Department of Agriculture, under date of June 10, stating how the Department would like to have it amended. But it was someone from the State Department who called me and said the letter was on the way, and it had been cleared with the Bureau of the Budget. So evidently the Budget Bureau and the State Department and the Department of Agriculture finally got together. But it looks as if, on paper, the Department of Agriculture lost.

I ask unanimous consent that the letter, dated June 10, 1947, from Under Secretary Dodd to myself, be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 10, 1947.

Hon. GEORGE D. AIKEN,
Chairman of the Senate Conferees on S. 814.

DEAR MR. AIKEN: The purpose of this letter is to make clear the position of this Department with respect to the amendments to section 22 of the Agricultural Adjustment Act, as amended and reenacted (U. S. C. 1940 ed., title 7, 624), which would be made by section 4 of S. 814 as passed by the House of Representatives. Section 4 would authorize the imposition of import fees on wool or wool products for the purpose of preventing the impairment of the price-support program for wool.

This Department favors amending section 22 of the Agricultural Adjustment Act to authorize the imposition of fees or quotas on imported wool or wool products when necessary to prevent the impairment of the price-support program for wool, provided that such authority is not exercised in contravention of the provisions of any treaty or international agreement to which the United States is or hereafter becomes a party. Accordingly, we recommend that the proviso prohibiting the imposition of quotas on wool or wool products—which section 4 of S. 814 would add to subsection (b) of section 22 of the Agricultural Adjustment Act—be deleted and the following proviso be substituted therefor:

"*Provided*, That no proclamation under this section shall be enforced in contravention of any treaty or international agreement to which the United States is or hereafter becomes a party."

A provision similar to the foregoing provision is contained in H. R. 1825, which would amend section 22 of the Agricultural Adjustment Act to authorize the imposition of fees or quotas on any agricultural commodity or product thereof when necessary to prevent the impairment of any program undertaken with respect thereto and which was recommended for enactment by this Department.

An identical letter is being sent to Hon. CLIFFORD R. HOPE, chairman of the House conferees on S. 814.

The Bureau of the Budget advises that it has no objection to the submission of this letter.

Sincerely yours,

N. E. DODD,
Under Secretary.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to ask the Senator a question, and, if I may, I desire to make a very brief preliminary statement? First, I am not interested in embarrassing the President, but I do want to have a support price for the American wool growers. I am also very much interested in the consumers of wool and in the textile mills and in the people who work in them, in Massachusetts and New England.

I should like to ask this question: While the President, under the terms of the conference report, cannot by proclamation violate any present treaty, he is not prevented, is he, from putting any quota he may desire on wool which may in the future come into the country after the bill is passed?

Mr. AIKEN. He can only do it if he is so minded and can prove to the Tariff Commission that importations are interfering with the support-price program.

Mr. SALTONSTALL. I should like to ask a further question. The Senator from Ohio said that wool was by the pending bill placed within the terms of the Agricultural Adjustment Act. Is it not true that wool is the only commodity which will be within that act which we do not produce in sufficient quantity to meet our domestic needs?

Mr. AIKEN. No; I am not sure that is true. Section 22 covers at least 22 farm commodities, including noodle soup. I have often wondered on what kind of bush noodle soup grew; but it is in the list. But wool never has been included. However, when we maintain a support price for wool, and a foreign country persists in selling wool for a cent a pound under the market, so we are kept out of our own market, then we accumulate a surplus, and wool becomes a surplus on our Government's hands, just as does cotton or corn or oats.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. SALTONSTALL. But under the terms of the bill as passed by the Senate, and also under the terms of the conference report omitting certain provisions, there is an opportunity for the Commodity Credit Corporation, if it so desires, to sell the wool at a price which will enable it to compete on the market.

Mr. AIKEN. That is correct. With the rising market, I believe grease wool is about 10 cents a pound higher on the world market now than it was a year ago. With a rising market, I believe the Commodity Credit Corporation will be able to dispose of the 460,000,000 pounds they have on hand, and maintain the floor under the present clip, so that much of it will be sold directly to the users, without losing money. I would not have said that a year ago, but the wool market is strengthened, as the Senator knows.

Mr. SALTONSTALL. So that there is no real need for the provision regarding quotas or increased fees, is there?

Mr. AIKEN. I should have preferred to see the bill enacted without that provision in it.

Mr. SALTONSTALL. But with the provision regarding particular quotas, as well as increased fees, there will be a disruption of free contract, and it will not be possible for a purchaser of wool in a foreign country—and there are 20 such foreign wool-producing countries—to make a firm contract. Is not that correct?

Mr. AIKEN. Oh, I doubt that.

Mr. SALTONSTALL. If the President can impose a tariff, or a quota, at any

time in the future, in the case of countries which are far away, so that contracts run 2, 3, or 4 months ahead, what would keep a contract a firm contract?

Mr. AIKEN. It is a coincidence that the support price for wool is to continue just so long as the term of office of the present incumbent of the White House. It seems to me that foreign countries and buyers would have sufficient confidence in his doing what he ought to do, and not disrupting the market for the world, so that the market would not be disrupted. As a matter of fact, the Senator from Massachusetts knows our buyers cannot go into Australia and New Zealand and buy at any price. If an offer is made at a price that is too low, then the British Empire says, "We will take that wool. You can buy as much wool, within the empire floor, the JO floor, as you see fit, but you cannot go there and bid less than that floor."

Mr. SALTONSTALL. Assuming that a textile mill is making a certain grade of cloth from a certain grade of wool, and that a quota is ordered, so that the contract being performed by the textile mill is affected, but with the need of further raw wool in order to finish the contract; what will happen to the remainder of the contract if the President puts into effect a quota?

Mr. AIKEN. The same thing that would happen if a quota were imposed under provisions of a trade-agreement act.

Mr. SALTONSTALL. Assuming that to be true, and assuming that that will let the seller out of the contract, we will say, then the grade of cloth the mill can produce will deteriorate, will it not?

Mr. AIKEN. I do not know about the textile business, but, before I conclude, I was going to read some other provisions of international agreements, which have already been agreed to by the nations. That constitutes just as serious a factor for the manufacturer as what is being proposed here, by including wool under section 22 of the AAA Act.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one further question?

Mr. AIKEN. I yield.

Mr. SALTONSTALL. Will it not be true that every textile mill in the country which makes woolen goods will be uncertain as to its future supply of wool of certain grades and qualities which it may wish to import from other countries, and also uncertain of the prices at which it can sell?

Mr. AIKEN. I understand there is a considerable degree of uncertainty in the textile business, but I do not think there will be such a great uncertainty on the part of our textile manufacturers under any provisions of the bill as there would be if we let our wool production in this country get down so low that we will be at the mercy of the British Empire for our wool supply. Maybe the uncertainty would be removed. Maybe the textile manufacturers would know that they would have to pay 60 cents a pound for wool then. But the stock pile we have, the accumulation of 460,000,000 pounds, undoubtedly has helped to keep down the price of foreign wool to our textile mills.

Mr. SALTONSTALL. Mr. President, will the Senator again yield?

Mr. AIKEN. I yield.

Mr. SALTONSTALL. If a quota is established—and I want to reassert that there is no wish in my mind not to give some support price to the American wool growers—if a quota is established, licenses to import will have to be issued, will they not?

Mr. AIKEN. I do not know how a quota would be handled. It would be very difficult.

Mr. SALTONSTALL. The Senator from Vermont says it would be very difficult to establish and apply quotas. If quotas were established and I received a license or were given the opportunity to import, and the Senator from Vermont did not, and he was a competitor of mine, would not that be grossly unfair to the Senator from Vermont?

Mr. AIKEN. I do not know how quotas would be imposed. I do not know just how quotas are imposed at the present time. But at present we permit Canada to ship into the United States so much livestock, so much beef, so many thousand gallons of cream a year. We have quotas on imports from Mexico also, or anyhow we did have. I do not know how they are handled. But I assume that a quota on wool would have to be handled in a manner similar to the way quotas on other imports from other countries are handled.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. SALTONSTALL. Assume a quota was established, and I became a licensee, and the Senator from Vermont was not able to become a licensee for importation, then my license would become a thing of value in and of itself, would it not, in opposition to the competition of the Senator from Vermont?

Mr. AIKEN. I should think so. However, I do not anticipate it will be necessary to impose quotas this year or next year. I do not anticipate that it will be necessary to impose increased tariff protection this year or next year. For that reason I do not think the amendment was necessary in order to protect the wool grower. But I do think it is necessary now to pass the bill and send it to the President. If we do not, we will be taking a chance of there being no floor for wool at all.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a further question?

Mr. AIKEN. I yield.

Mr. SALTONSTALL. If we do not establish quotas, as the Senator has just said, it may become necessary to establish increased fees or tariffs, and if we establish increased fees or tariffs then that will result in making the price uncertain. In other words, we either make uncertain the quantity that a manufacturer may have to use, or we make uncertain the price at which he can buy the increased quantity.

Mr. AIKEN. Neither fees nor tariffs can be imposed until the market has been demoralized in this country.

Mr. ROBERTSON of Wyoming. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ROBERTSON of Wyoming. As author of the wool bill, S. 814, I rise to support the conference report. I should like to draw the Senate's attention, and particularly the attention of the distinguished Senator from Massachusetts [Mr. SALTONSTALL]—I am sorry the distinguished Senator from Virginia [Mr. ROBERTSON] is not on the floor at the moment—to the proviso on page 5, lines 11 to 13, which the distinguished Senator from Vermont pointed out had been stricken in the conference report. The words beginning "that no limitation shall be imposed" and so forth, down to "consumption," were stricken out. I do not think the distinguished Senator has yet stated the proviso which has replaced those three lines which have been stricken out, and I should like to read that proviso now.

Mr. AIKEN. That is correct. The Senator from Vermont had not concluded his remarks, but would be glad to have the Senator from Wyoming explain that proviso.

Mr. ROBERTSON of Wyoming. I read the proviso:

And provided further, That no proclamation under this section with respect to wool shall be enforced in contravention of any treaty or international agreement to which the United States is now a party.

That language, Mr. President, as I understand from the conferees, was placed in the report in order to remove any objections which the State Department might have to the bill.

In that connection, Mr. President, I was most interested in what the distinguished Senator from Virginia had to say with regard to his conversation with Mr. Clayton. As I took it down he stated that Mr. Clayton said, "Normally we import twice as much wool as we produce." I wonder if the Senator understood Mr. Clayton correctly, because if Mr. Clayton did say that, it is entirely erroneous. By "normally" I take it he meant in prewar years. In prewar years our domestic production of wool was from 400,000,000 to 450,000,000 pounds, and our consumption was from 600,000,000 to 650,000,000 pounds, which means that we would have had to import approximately 200,000,000 pounds. Since 1943 we have been importing anywhere from 700,000,000 to 800,000,000 pounds, up to 1,000,000,000 pounds. Last year our importations were around 800,000,000 pounds.

While on this point it might interest the Senate to know that during the years 1943, 1944, 1945, and 1946 the total duties collected by the United States on all dutiable imports amounted to $1,609,501,000. Of that amount, $505,200,000 represented the duties collected on imported wool. In other words, the wool duties amount to more than 31 percent of the total duties collected on all dutiable goods.

Mr. President, there is no intention to embarrass the President by this bill. The provision which I just read respecting trade treaties is ample evidence of that. The bill is absolutely necessary for the American wool grower. He must have a support price for his prod-

uct until world conditions, or, in any event, until the conditions so far as his industry are concerned, are more settled. This year the shearing of the sheep for the wool is almost complete. The wool has all been held in storage pending a bill of this nature. As the Senator from Vermont pointed out, the small producer has been forced to sell his wool at a price far below the normal market.

I hope the Senate will accept the conference report.

Mr. AIKEN. Mr. President, I do not believe it is necessary to go into any further explanation of the conference report. I simply reiterate that I believe that the effect of this amendment on the bill has been exaggerated, both by its proponents and its opponents. It has received a build-up out of proportion to its importance. I do not believe that it was necessary to tack it on to a price-support bill for wool. If there had been any way of getting out of it, I would not have accepted it.

Neither do I believe that it will disrupt world trade, because if it does disrupt world trade, it will be through the acts of the President of the United States; and I do not believe that he has any intention of disrupting world trade and preventing the making of further reciprocal trade agreements. I feel that the importance of the amendment has been exaggerated.

Mr. President, I believe that the approximately 1,000,000 wool growers of this country are entitled to the same degree of protection which is offered to producers of other agricultural commodities, for the next year and a half. I see no way of giving them such protection except through the passage of this bill, and I hope that the conference report will be approved by the Senate.

Mr. HATCH. Mr. President, I do not want to take much time, or to delay a vote on the conference report. I assume that we are rapidly approaching that time.

I am in complete accord with what the Senator from Vermont has said, to the effect that the bill as it now stands, and will go to the President, vests only discretionary power in the President. The bill is not mandatory as to the raising of fees or the imposition of quotas. If it were, I would not support it, regardless of how important it may be to the wool growers of the West and of my State. Certainly I would not want to complicate international trade agreements. They are of importance superior even to the interests of our local growers. But I see nothing in the bill which would complicate the situation. I see nothing which would compel a mandatory increase in duties.

I feel, as the Senator from Vermont has so well pointed out, that we must either adopt the conference report or we shall have no program at all this year. I am utterly convinced that it would serve no useful purpose to send the measure back to conference. If the conference report is defeated we shall have no support program. The only chance we have for a support program—and it is a support program in which the wool growers are interested, and not a tariff provision—we have no choice except to adopt the conference report. For that reason I shall support the conference report.

In line with what I have said about the power being discretionary and not mandatory, I requested the Solicitor of the Department of Agriculture to give me his written opinion on that question. I have his letter before me. He confirms everything I have said, and what the Senator from Vermont has said. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the letter from the Solicitor of the Department of Agriculture in which he holds that the power vested is entirely discretionary with the President.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
Washington, D. C., June 13, 1947.

HON. CARL A. HATCH,
United States Senate.

DEAR SENATOR: Reference is made to your telephonic request for an expression of my views concerning the President's authority with respect to the imposition and enforcement of fees or quotas on wool under section 22 of the Agricultural Adjustment Act (of 1933), as amended by section 4 of the conference report on S. 814. You are particularly concerned with the extent to which section 22, as so amended, would reserve to the President the right to decide whether fees and quotas should be imposed or enforced.

At the outset it should be observed that subsection (d) of section 22 provides that any decision of the President as to facts under such section shall be final.

Under subsection (a) of section 22 the President is required to cause an immediate investigation to be made by the Tariff Commission whenever he has reason to believe that any wool or wool products are being, or are practically certain to be, imported into the United States under such conditions and in sufficient quantities as to render or tend to render ineffective or materially interfere with the wool price-support program required to be carried out by the Wool Act of 1947 or to reduce substantially the amount of any product processed in the United States from wool. Accordingly, before an investigation can be made by the Tariff Commission the President must first decide whether facts exist which give him reason to believe that the imposition of fees or quotas would be warranted under section 22. The responsibility for this decision is vested solely in the President.

Subsection (b) of section 22 provides for the imposition by the President of fees or quotas on wool if, on the basis of such Tariff Commission investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of facts which warrant the imposition of fees or quotas under section 22. It is clear, therefore, that after an investigation has been made by the Tariff Commission, quotas or fees may be imposed only if the President finds that facts exist which authorize such imposition. Here again the responsibility for deciding whether such facts exist is vested in the President and, as we have already noted, the President's decision as to the facts is final.

As amended by the conference report, section 22 provides that no proclamation with respect to wool shall be enforced in contravention of any treaty or international agreement to which the United States is now a party. This is a mandatory provision the effect of which would be to nullify any proclamation of the President which contravenes an international agreement or treaty to which the United States is now a party. However, any view expressed by the President in this respect in issuing a proclamation would be accorded weight in the event the validity of the proclamation should be drawn into question.

The views expressed herein are, of course, not binding upon the President or any other agency of the Government.

Sincerely yours,

W. CARROLL HUNTER,
Solicitor.

Mr. TAYLOR. Mr. President, I shall vote for the conference report with the assurances which have been given. Let me say further that if the President should find it necessary in his judgment to veto the bill, I shall be compelled to support the veto.

Mr. YOUNG. Mr. President, a moment ago the question was raised as to whether wool growers were supporting the bill. Is my information correct that the American Wool Growers Association is supporting the bill?

Mr. AIKEN. That is correct. The farm organizations are behind the bill.

Mr. YOUNG. I should like to read a telegram from the American Farm Bureau Federation.

Mr. AIKEN. We have all received such telegrams.

Mr. YOUNG. I think it should be placed in the RECORD. I ask unanimous consent that a telegram from the American Farm Bureau Federation be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *June 18, 1947.*

Senator MILTON R. YOUNG,
Washington, D. C.:

Board of directors, American Farm Bureau Federation in session today adopted following resolution:

"We respectfully urge approval by Congress and President of conference report on S. 814, providing price support program for wool until end of Steagall period. We also favor provision amending section 22 to include wool on same basis as other commodities. This provision is entirely discretionary and consistent with principle of escape clause now required by Presidential order in all trade agreements. In simple justice wool growers are entitled to comparable assistance already extended other commodities."

EDWARD A. O'NEAL,
President, American Farm Bureau Federation.

Mr. SALTONSTALL. Mr. President, I hope that a wool support bill will be passed, but not this one, or this one in its present form. I believe that we can pass a wool support bill without the uncertain provisions as to quotas and fees on imports and consequently the uncertainty of prices.

As a representative from New England, and particularly from Massachusetts, which has approximately 60 percent or more of the wool trade, and has a very substantial percentage of the textile mills of the country which use wool as a raw product, I believe that the bill in its present form, with quotas and possible changes in price levels, is a very unwise bill to pass.

We have heard a great deal about the wool grower. We all want American wool growers to continue to produce wool.

However, we have heard nothing about the consumer of wool products. We must remember that in establishing higher tariffs and imposing quotas, if either of those alternatives is put into effect the consumer of woolen goods, the man who wears a suit, as you and I do, Mr. President, will have to pay higher prices. Every person in this country who wears a woolen suit will inevitably have to pay higher prices for his clothes if the bill goes through in its present form, allowing restrictions on imports or higher fees on imports. We must remember that.

At the present time we produce approximately half of all the wool we use in an ordinary year. If my memory is correct, we produce between 300,000,000 and 400,000,000 pounds in an ordinary peacetime year. We use between six hundred and seven hundred million pounds. In the past few years we have been using almost 1,000,000,000 pounds of wool a year.

The bill in the form in which it passed this body, and also as reported to the House, contained a provision allowing the Commodity Credit Corporation to sell its inventory of raw wool on the market at a loss if necessary. That provision permits the Commodity Credit Corporation to compete with the foreign wool market. The reason there has been so much wool coming in from abroad is that the Commodity Credit Corporation inventory is held at a price above the level at which wool can come in from foreign countries. So while the Commodity Credit Corporation has been accumulating about 460,000,000 pounds of wool in warehouses, wool has been coming in from abroad underneath the price of the Commodity Credit Corporation wool, even with the tariff, and is being sold. The cloth which goes into our clothes has been coming in from abroad to a very considerable extent.

I should like to point out, as I tried to do in my questions addressed to the Senator from Vermont, that if we establish quotas we must devise some form of license. The licensee has a tremendous advantage over his competitor. If we do not establish quotas, we shall have uncertain prices. Wool comes from Africa and Australia. If an American is to make a contract for wool in Australia, he must make it 3 or 4 months in advance of the time when he wishes to use the wool. In the meantime, the President may perfectly properly, under the terms of the bill, impose a quota or impose a higher tariff fee. What happens? The man in this country who has bought the wool either cannot get the wool which he may have contracted to sell, or else he gets it at a higher price, and he must stand the loss. The wool broker, the man who buys wool and resells it, is an independent agent. He will not be able to do business.

It is said that we want to protect the producer. We do; but we also want to remember the consumer. We also must remember that we grow only about half the wool we use. If we grow only half the wool we use, we must import wool. If no one in this country can make a firm contract, he is not going to bring in wool from abroad, and we are not going to have the raw material with which to make our fabrics and textiles.

I hope that this bill will not pass in its present form. I believe that in the long run it is not for the best interests of all the consumers of woolen goods, and it is not for the best interests of the wool grower, because it establishes a very artificial market of which the grower is just as uncertain as is anyone else.

Because I know that not only I but many other Senators on both sides of the aisle feel very strongly about it, I should like to point out, Mr. President, that if this bill becomes law, for the next 2 years, as in the past 4 years, the Government will be the sole buyer of domestic wool. It is in the wool business, purely and simply, in competition with all the foreign wool which comes in through private hands. We want to get the Government out of business. We want to support a wool program for the grower, but we want to support it in such a way that the grower can live in competition with wool which comes in from abroad.

I hope, Mr. President, that this bill will be either recommitted to conference or be defeated so that we can start afresh.

As one representative of New England I want to say that I could and would support a reasonable bill in the interests of the domestic wool grower.

Mr. President, I should like now to make a parliamentary inquiry. Do I correctly understand that the conference report can be either accepted or rejected without amendment, or can be recommitted to conference? Those are the only three alternatives with reference to a conference report?

The PRESIDENT pro tempore. The conference report cannot be recommitted, because the House has accepted the report and the conferees have been discharged.

Mr. SALTONSTALL. So that the only thing that can be done with the conference report is either to vote it up or vote it down?

The PRESIDENT pro tempore. The Senator is correct.

SEVERAL SENATORS. Vote!

The PRESIDENT pro tempore. The question is on agreeing to the conference report on Senate bill 814.

NOMINATIONS TO CERTAIN MARYLAND POST OFFICES

Mr. TYDINGS. Mr. President, I regret to take the time of the Senate when a vote is near. However, when the unanimous-consent request was made I wanted to make a statement that seemed to me to be in the nature of a question of personal privilege, but I deferred to the Senator from Vermont [Mr. AIKEN]. I much regret that time will be consumed between now and 2 o'clock, but I feel under no obligations further to defer.

Yesterday the able Senator from North Dakota [Mr. LANGER] in closing his remarks on the postmaster investigation resolution saw fit to take four examples in Maryland to show how the ugly head of politics had entered into the appointment of postmasters in that State. I took the trouble this morning to read his remarks and to get the official record, and the Senator is wrong in all four cases. Never was a case argued to a jury on more erroneous statements than those presented by the Senator from North Dakota yesterday. Let me take them up in order.

First, he referred to the appointment of the postmaster of Ocean City, Md. An examination was held in Ocean City which resulted in only one eligible, and he was the acting postmaster. When I learned this I immediately got in touch with the Post Office Department and asked what had become of the veterans whom I knew had taken the examination. In reply to my request I received a letter from the Civil Service Commission, which is as follows:

> The veterans did not meet the minimum requirement for general experience, and general qualifications were insufficient to comply with minimum requirements of eligibility, and they were not assigned a grade.

The Senator from North Dakota lathered himself into paroxysms of sadness and agony as he assumed that the Maryland Senators had overlooked the nominations of veterans. The Senator from North Dakota was totally wrong. The Civil Service Commission failed to qualify them; the Senator from Maryland asked why they had not been qualified, and received the answer which I have just read. The acting postmaster being the only eligible, we therefore sent his name forward, and so his nomination comes before this body.

The second case which the Senator from North Dakota brought up was the Brandywine post office. I have nothing to do with that office, because as we all know, when a Democrat represents a district, all inquiries regarding post offices go to him. I asked the Representative from the district in question what happened. In that case there were 3 men who took the examination. The No. 1 man was a veteran. He had a very fine job in Washington, and could not make up his mind for a long time whether he wanted to accept the position or to decline it. Finally he declined it. The name of the No. 2 man was sent forward and is now before the committee. Yet the Senator from North Dakota assumed yesterday that some hocus-pocus had taken place and that the No. 2 man had been jumped over the No. 1 man. If he had asked me in advance what the facts were in the case I should have been glad to have gotten them for him. It is a shame that he saw fit to use erroneous facts in an attempt to bolster a very weak case.

The next case was that of Bishopville. There is where the real laugh comes in, because the man who is nominated for postmaster at Bishopville is a lifelong Republican. Let me give the Senate the facts in that case. I am quoting now from a letter:

> Mr. Ringler, now the United States postmaster at Bishopville, is affiliated as a Republican and has served as postmaster at Bishopville, Md., for almost 34 years under both Republican and Democratic administrations. He is popular and is the choice of over 90 percent of the patrons of the Bishopville post office, a majority of whom are active Democratic voters.

So what we have done in this case has been to pick a man who is a Republican, whom the Senator from North Dakota assumed was a Democrat, and to recommend his appointment as postmaster of Bishopville and his nomination is now pending before this body. I have asked the Senator from North Dakota to come on the floor so that he might hear these facts face to face, but evidently he has either not received the message or he has other business. The Senator stated yesterday that there was some hocus-pocus in connection with this matter.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHERRY. I should like to suggest to the able Senator that I, too, requested the Senator from North Dakota to be present and hear this presentation, and he sent word that he was conducting a committee meeting and would be glad to look at the RECORD and answer later.

Mr. TYDINGS. I hope that he will look at the RECORD, for if he does, he will find that what I have stated is so, and I hope that he will be, as I believe he is, big enough to get up on the floor and say that the statements which he made yesterday were erroneous.

I have here a letter from a patron of the Bishopville post office, who is a lady and a Democrat. I shall not disclose her name, but here is a statement from her letter:

> Mr. Ringler was born and bred a Republican, and, we, the people of this community, would be pleased to have Harry R. Ringler given the permanent appointment of postmaster at this office. After all, is it not the people's wish of his community that should be considered?

Both the Maryland Senators received a letter from the Democratic State Central Committee of that county saying they were nominating Mr. Ringler, a lifelong Republican, to this office as postmaster. I shall read from the letter, which is dated January 27, 1947:

> The Democratic State Central Committee of Worcester County unanimously recommended for appointment Mr. Harry R. Ringler for United States postmaster at Bishopville, Worcester County, Md., Mr. Ringler being eligible No. 1 for the office following a civil-service examination. Mr. Ringler, now acting United States postmaster at Bishopville, affiliated as a Republican, has served in the postmastership at Bishopville for almost 34 years.

The letter goes on to praise him. It is signed by the six Democratic members of the State central committee. Yet yesterday on this floor the Senator from North Dakota used this case as a means of securing authority to make an investigation into partisanship in the civil-service and the post-office appointments which have been recommended by the Maryland Senators.

In this instance we have a Democratic State Central Committee recommending the No. 1 man, who has been a life-long Republican, yet it was used as an argument to bolster the case—the weak case, the political case, the partisan case—which was back of the resolution which was under consideration yesterday.

Now I come to the last case the Senator from North Dakota mentioned, namely, the appointment of the postmaster at Oakland, Md. Mr. President, what happened in that case? An examination was held. The highest applicant was William Spoerlein, who had a rating of 80.33 percent. The second applicant was Paul A. Turney, who had 78.93 percent. He had that; but in order to obtain that percentage, which was lower than the rating of the No. 1 man, he used his veteran's preference. Even with his veteran's preference, he stood No. 2 on the list. So the Maryland Senators appointed the No. 1 man, as they should have done in that circumstance.

I have mentioned the four cases which were used yesterday. The Senator from North Dakota said the heart of the Senator from Maryland was bleeding at the way the ex-servicemen were treated. The Senators from Maryland were for all ex-servicemen; and when their names did not appear, the Senators from Maryland wrote to the Post Office Department and said, "What has become of the two ex-servicemen who took this examination?" The Civil Service Commission wrote us, in due time, that those two ex-servicemen had failed to make an eligible passing mark. It was only after we found that the ex-servicemen had not passed, that the Maryland Senators nominated the top man, who was not an ex-serviceman.

Finally, the Senator from North Dakota, to bolster his case, brought up the postmastership at Baltimore. Mr. President, I served in this body for a long time with one of the finest Americans who ever lived, Phillips Goldsborough, my colleague, who sat on the other side of the aisle. If we had both been Republicans or if both of us had been Democrats, no two men could have gotten along better than we did. We never had a dispute, and we cooperated just as fully as we would have if we had been members of the same party. During Mr. Goldsborough's tenure, the postmaster at Baltimore died. He was a Republican. In the course of time, an examination was held; and the first assistant, who was Mr. Green, passed first on the eligible list. Senator Goldsborough and I agreed that Mr. Green should have the job. It was said that Mr. Green was a Republican. Frankly, I do not know whether he was or not. Nevertheless, the people of Baltimore wanted him. He was a career man; and Senator Goldsborough and I, and later Senator Radcliffe and I, joined in having Mr. Green made the postmaster. After some 40 years of service in the Baltimore post office. When Mr. Green withdrew or retired, we again took the first assistant, who was a career man, and put him in.

I wish to say to the Senator from North Dakota that if the administration of the Post Office Department or any other department, State, local, or national, was as clean and as free from political interference and conniving as the postmasterships in Maryland, then they would have a record without one blot on it. I resent these imputations of political interference; and I have covered the records relative to the statements of the Senator from North Dakota. Patronage has never worried the Senators from Maryland, and it never will; and in connection with the filling of offices, where civil service examinations are necessary, we shall abide by the rules of the game, as the record here shows that we have.

Mr. LANGER subsequently said: Mr. President, during my unavoidable absence this afternoon, the distinguished Senator from Maryland [Mr. TYDINGS] proceeded to talk about certain post offices in Maryland. I wish to say that I have my reply ready, and I expected to reply this afternoon. However, I find that the Senator from Maryland is not upon the floor at this time. Therefore, at the earliest opportunity, as soon as the Senator from Maryland is upon the floor, I shall ask recognition, in order to reply to the Senator from Maryland.

PRICE SUPPORT PROGRAM FOR WOOL—CONFERENCE REPORT

The Senate resumed the consideration of the report of the Committee of Conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 814) to provide support for wool, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. BARKLEY. Mr. President, I wish to discuss the conference report. However, it is now 5 minutes before 2, and at 2 o'clock we must take up the Bulwinkle bill, under the unanimous-consent agreement. Obviously, I shall not be able to complete my remarks on the conference report in the time between now and 2 o'clock. Therefore, Mr. President, I request that the conference report go over temporarily.

Mr. WHERRY. Mr. President, in view of the statement of the Senator from Kentucky, I suggest that we prepare to proceed with the unfinished business the consideration of which, under the unanimous-consent agreement, is to be resumed at 2 o'clock. Several Senators have matters which they would like to take up between now and 2 o'clock; and at 2 o'clock we can proceed to have a quorum call, preparatory to taking action on the Bulwinkle bill, if need for a quorum call then exists.

Mr. SALTONSTALL. Mr. President, do I correctly understand that the time between 2 o'clock and 4 o'clock will be devoted to consideration of the Bulwinkle bill or other subjects, but that no vote will be taken on the conference report until after 4 o'clock?

Mr. WHERRY. I understand—and the minority leader can bear me out in this—that commencing at 2 o'clock, the time is to be equally divided between the proponents and opponents of the so-called Bulwinkle bill; and if any Senator wishes to speak during that time, he will have to arrange for time with either the Senator from Kansas [Mr. REED] or the Senator from Georgia [Mr. RUSSELL], who are in charge of the time for the proponents and the opponents, respectively.

Mr. President, I believe—and I think I can speak with assurance—that there

will be no action on the conference report on the wool bill until after the Bulwinkle bill is voted on at 4 o'clock.

I yield now to my colleague from Nebraska.

Mr. BUTLER. Mr. President, I prefer to speak later.

Mr. WHERRY. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Bridges	Holland	Pepper
Brooks	Ives	Reed
Buck	Jenner	Revercomb
Bushfield	Johnson, Colo.	Robertson, Va.
Butler	Johnston, S. C.	Robertson, Wyo.
Byrd	Kem	Russell
Cain	Kilgore	Saltonstall
Capehart	Knowland	Smith
Capper	Langer	Sparkman
Chavez	Lucas	Stewart
Connally	McCarran	Taft
Cooper	McCarthy	Taylor
Donnell	McClellan	Thye
Downey	McFarland	Tydings
Dworshak	McGrath	Umstead
Eastland	McKellar	Vandenberg
Ecton	McMahon	Watkins
Ellender	Magnuson	Wherry
Ferguson	Malone	White
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Morse	

The PRESIDENT pro tempore. Eighty-nine Senators having answered to their names, a quorum is present.

The time from this point on until 4 o'clock will be divided equally, under the control, respectively, of the Senator from Georgia [Mr. RUSSELL] and the Senator from Kansas [Mr. REED]. To whom does the Senator from Georgia yield?

STIMULATION OF VOLUNTEER ENLISTMENTS

Mr. GURNEY. Mr. President——

Mr. RUSSELL. I yield a minute to the Senator from South Dakota [Mr. GURNEY].

The PRESIDENT pro tempore. The Senator from South Dakota is recognized.

Mr. GURNEY. Mr. President, on the call of the calendar on Monday, the Senate passed Senate bill 1218, a bill to stimulate volunteer enlistments in the Regular Military Establishment of the United States. At the same time the House passed a similar bill, H. R. 3303. I now ask that the Senate consider the House bill, substitute the wording of the Senate bill as amended for the text of the House bill, insist on the Senate amendment, ask for a conference with the House, and that the President pro tempore appoint the conferees on the part of the Senate.

The PRESIDENT pro tempore laid before the Senate the bill (H. R. 3303) to stimulate volunteer enlistments in the Regular Military Establishment of the United States, which was read twice by its title.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from South Dakota that the Senate proceed to the consideration of H. R. 3303, a bill to stimulate volunteer enlistments in the Regular Military Establishment of the United States, that the Senate strike out all after the enacting clause of the House bill and substitute therefor the text of Senate bill 1218, as amended, and that the House bill, as thus amended, be passed?

Mr. CONNALLY. Mr. President, is it necessary to do anything about the bill we have already passed, to reconsider the vote, or anything of the kind?

Mr. GURNEY. No; there is no change in language.

Mr. CONNALLY. I mean so far as the parliamentary procedure is concerned. We passed a certain bill. Are we to recall that bill from the House, or have anything to do with it at all, or merely forget it?

The PRESIDENT pro tempore. The Senate bill will die in the House, the Chair is informed.

Mr. CONNALLY. Very well.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from South Dakota?

There being no objection, the Senate proceeded to consider the bill (H. R. 3303) to stimulate volunteer enlistments in the Regular Military Establishment of the United States.

Mr. GURNEY. I now move that all after the enacting clause of the House bill be stricken out, and that there be substituted the language of Senate bill 1218 as it was amended.

The motion was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed, as follows:

Be it enacted, etc., That the first paragraph of section 27 of the National Defense Act, as amended (10 U. S. C. 627, 628), is hereby further amended as follows:

"Effective July 1, 1947, the Secretary of War is authorized, notwithstanding the provisions of the last paragraph of section 127a of this act, to accept original enlistments in the Regular Army from among qualified male persons not less than 17 years of age for periods of 2, 3, 4, 5, or 6 years, and to accept reenlistments for periods of 3, 4, 5, or 6 years: *Provided*, That persons of the first three enlisted grades may be reenlisted for unspecified periods of time on a career basis under such regulations as the Secretary of War may prescribe: *Provided further*, That anyone who serves three or more years of an enlistment for an unspecified period of time may submit to the Secretary of War his resignation and such resignation shall be accepted by the Secretary of War and such person shall be discharged from his enlistment within 3 months of the submission of such resignation. Except if such person, other than an enlisted member of a Regular Army Puerto Rican unit, submits his resignation while stationed overseas or after embarking for an overseas station, the Secretary of War shall not be required to accept such resignation until a total of 2 years of overseas service shall have been completed in the current overseas assignment, and in the case of anyone who has completed any course of instruction pursuant to paragraph 13 of section 127a of the National Defense Act, as amended (10 U. S. C. 535), or pursuant to section 2 of the act of April 3, 1939 (53 Stat. 556), as amended (10 U. S. C. 298a), the Secretary of War shall not be required to accept such resignation until 2 years subsequent to the completion of such course. The Secretary of War may refuse to accept any such resignation in time of war or national emergency declared by the President or Congress, or while the person concerned is absent without leave or serving a sentence of court martial. The Secretary of War may refuse to accept a resignation for a period not to exceed 6 months following the submission thereof if the enlisted person is under investigation or in default with respect to public property or public funds: *Provided further*, That no person under the age of 18 years shall be enlisted without the written consent of his parents or guardian, and the Secretary of War shall, upon the application of the parents or guardian of any such person enlisted without their written consent, discharge such person from the military service with pay and with the form of discharge certificate to which the service of such person, after enlistment, shall entitle him: *Provided further*, That nothing contained in this act shall be construed to deprive any person of any right to reenlistment in the Regular Army under any other provision of law. No person who is serving under an enlistment contracted on or after June 1, 1945, shall be entitled, before the expiration of the period of such enlistment, to enlist for an enlistment period which will expire before the expiration of the enlistment period for which he is so serving: *Provided further*, That any enlisted person discharged from the Regular Army who upon such discharge is recommended for reenlistment shall be permitted to reenlist with the rank held by him at the time of his discharge if he reenlists within a period to be specified by the Secretary of War but not to exceed 3 months from the date of such discharge: *And provided further*, That any enlisted person discharged from the Regular Army by reason of acceptance of his resignation shall not be entitled upon subsequent reenlistment to the rank, rating, or grade held at the time of discharge."

SEC. 2. Any person who enlists or reenlists in the Regular Military Establishment on or after June 1, 1945, in the seventh grade, upon the completion of recruit training, but not later than 4 months subsequent to the date of enlistment, shall, unless sooner promoted, be promoted to the sixth grade, provided he meets such qualifications as may be prescribed in regulations promulgated by the Secretary of War: *Provided*, That no back pay or allowance shall accrue to any person by reason of enactment of this section.

SEC. 3. Paragraph 4 of section 10 of the Pay Readjustment Act of 1942 is hereby amended by substituting a colon for the period at the end of such paragraph and by adding immediately after such colon the following: "*Provided further*, That in addition to such enlistment allowance, any person enlisting for an unspecified period of time shall be paid the sum of $50 upon the completion of each year of service for such reenlistment, and any person who resigns or is discharged from such enlistment for an unspecified period of time shall not thereafter be entitled to any additional enlistment or reenlistment allowance based on any period served in such enlistment for an unspecified period of time."

SEC. 4. Effective July 1, 1947, sections 653 and 653a of title 10, United States Code, are repealed and all other laws and parts of laws insofar as they are inconsistent with or in conflict with the provisions of this act are likewise repealed.

SEC. 5. Subsection 1 (b) of the Mustering-Out Payment Act of 1944 (38 U. S. C., Supp. V, 691a) is amended by striking out the word "and" at the end of subsection (7) thereof, inserting a semicolon in lieu of the period after subsection (8) thereof, and adding the following: "and (9) any person entering upon active service, or enlisting, on or after the first day of the first month after the approval of the act adding this subsection."

SEC. 6. Sections 57 and 58 of the National Defense Act, as amended, are further amended by striking out the word "eighteen" therefrom and substituting therefor the word "seventeen" in each of the said sections.

Mr. GURNEY. I move that the Senate insist on its amendment, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. GURNEY, Mr. BRIDGES, Mr. ROBERTSON of Wyoming, Mr. TYDINGS, and Mr. RUSSELL conferees on the part of the Senate.

AMENDMENT OF INTERSTATE COMMERCE ACT WITH RESPECT TO CERTAIN AGREEMENTS BETWEEN CARRIERS

The Senate resumed the consideration of the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between carriers.

Mr. RUSSELL. Mr. President, I yield such time as he may desire to the minority leader of the Senate, the Senator from Kentucky [Mr. BARKLEY].

The PRESIDENT pro tempore. The Senator from Kentucky is recognized for such time as he may desire, within 1 hour.

Mr. BARKLEY. Mr. President, I can guarantee to the Chair and to the Senate that I shall not consume the time which might be at my disposal under the order. As a matter of fact, I hope that my remarks will not occupy half the time available to those who are opposed to the proposal now before the Senate.

Mr. President, I find myself today, as I have heretofore, unalterably opposed, not only to the pending bill, but to similar legislation affecting any other great industry of the United States. Under the Constitution, Congress has power to regulate commerce among the States and with foreign nations. That authority grew out of controversies over the regulation of commerce which had arisen between the time of the signing of the treaty of peace following the American Revolution, and the convening of the Constitutional Convention by the Colonies.

Those who wrote the Constitution recognized that there must be some central authority with power to regulate commerce for the whole country. Although that power was conferred upon Congress in 1787, it was never exercised until 1887, a full century after it had been written into the Constitution of the country. Its exercise came about then because of abuses which had grown up among the railroads of the United States.

Congress was compelled to take note of those abuses because they carried with them the power to build up one community as against another, one industry as against another, by all sorts of preferences and favoritism conferred by the transportation systems of the country as they then existed. So Congress passed the act to regulate commerce in 1887, by which it provided, not the detailed regulations that have since been imposed, but by which it provided that rates should be fair and equitable as among shippers and communities, with certain power in the Interstate Commerce Commission to pass upon the fairness and equity of rates and practices.

Things dragged along until 1920, with various minor amendments to the law, following the return of the railroads to their owners after they had been taken over and operated by the Government during World War I. I happen to have been a member of the Committee on Interstate Commerce of the House of Representatives, which had jurisdiction of that legislation, and I was one of the conferees on the part of the House to adjust differences between the House bill, which was known as the Esch bill, and the Senate version, which was known as the Cummins bill. We were in conference for 6 weeks, as a result of which the Transportation Act of 1920 was enacted into law. That Transportation Act went further in the regulation of railroads and the power of the Interstate Commerce Commission. It went further in providing for joint routes and joint rates, and various other integrating provisions which had not theretofore been a part of the law. That law continued in force for some 20 years, and then in 1940 we enacted a new regulatory law applicable to railroads and other interstate carriers, which was called the Transportation Act of 1940.

Now, after 150 years in the exercise of the power to regulate commerce among the States, and after 60 years of regulation on the part of Congress not only of railroads but of other corporations, under the act to regulate commerce, we are proposing to lift railroads, steamships, motor carriers, busses, and trucks from under the provisions of the antitrust law and set them on an island of safety free from the intervention of the law-enforcing agency of our Government. And why, Mr. President? Because, in the Middle West, a lawsuit has been instituted charging certain carriers with a violation of the antitrust laws by combinations in derogation of the law, and because certain interested States in the South have instituted another lawsuit charging again a violation of the antitrust law.

Mr. President, I live on the south bank of the Ohio River. I am therefore not in official territory. I have stood on the south bank of the Ohio River all my life, and, looking across to the north bank of that river, I have observed the smoke of industry curling above factories and from smokestacks within a stone's throw of me, because they enjoyed a preference, a privilege, denied to those living south of the Ohio River. If we established an industry on the south bank of that river, we were required to pay a differential freight rate in order to get on the north side, to compete with factories which were on the north bank of the river; but the industries which were located on the north bank were not required to pay any differential in freight rates in order to get on our bank, to compete with us.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator.

Mr. RUSSELL. There can be no possible difference between the conditions described by the able Senator and an internal tariff that the Congress might have levied, discriminating against the constituents of the Senator as compared to those who lived across the river from him.

Mr. BARKLEY. The Senator is correct. The same result would have occurred if the State of Kentucky had had the power through its State legislature to levy a tariff of 25 percent on any manufactured articles that came across the river into Kentucky; but it could not do that, because the Constitution prohibited it. But, because of this favoritism, this special privilege, for which we had to pay in order to get on terms of equality with factories north of the river, and because of its absence on the part of industries north of the river, we have suffered for more than two generations as a result of that unequal situation.

Mr. HILL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Alabama.

Mr. HILL. There was absolutely no difference in the cost to the respective railroads of transporting the goods or commodities, and there was absolutely no difference in the value of the goods or the commodities, which in any way afforded a basis for the discrimination in the matter of rates. Is not that a fact?

Mr. BARKLEY. There was not a particle of difference; the same commodities were produced in two plants within sight of each other; but, because God Almighty had built a river between them, one plant enjoyed a privilege, granted because of the power of government, and the other was denied it. That situation has prevailed for two generations.

Mr. HILL. I do not want to interfere with the logic of the Senator's speech, because I know he is making an able speech, as he always does, nor do I want to anticipate his thoughts; but the Senator speaks about living on the Ohio River. The Senator, of course, knows the effect of conditions which the pending bill would ratify and make lawful, so far as any benefit from waterways and waterway transportation is concerned. While operating under the monopoly as now constituted, which the pending bill would ratify, benefits are being denied in respect to waterways and waterway transportation. Is not that true?

Mr. BARKLEY. That is correct. I thank the Senator for the suggestion. I mentioned the comparative situation on the two banks of the Ohio River, because it is a tragic illustration of the injustice which is now sought to be perpetuated upon our people by the enactment of the pending legislation. But, of course, the same thing applies to all the territory south of the Ohio River, which is not within what is called official territory.

Mr. HILL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ECTON in the chair). Does the Senator from Kentucky yield to the Senator from Alabama?

Mr. BARKLEY. I yield.

Mr. HILL. The word "official" is in a way a misnomer. It should be called "favored" territory, should it not?

Mr. BARKLEY. Yes; it should be called favored territory. The word "official" is a misnomer, because everything the Interstate Commerce Commission does is official, and applies to our section of the country no less than to other sections; but through some quirk of intellectuality it is called official territory, when it ought to be called favored territory. It ought to be described in terms of a policy which Jefferson negated all his life, namely, the granting of a special privilege, not enjoyed by all the people, to a particular section and particular group. That is what it was. That was the effect of it. The practice of that privilege and favoritism has been brought in question in the courts of our country and, fearing that the Supreme Court might nullify that privilege and that favoritism, we are asked by the enactment of the pending legislation, to cut the ground out from under the Court in its ability to decide the question.

It has been suggested that we put a provision in the bill still leaving with the Supreme Court the power to decide this particular question. But that would be a moot question anyway, if the Court could decide it, were we to cut the ground out from under the law as it would be interpreted.

I have no way of knowing what the decision of the Supreme Court will be; I do not hesitate to say what I hope it will be; but the pending legislation has been brought forward and is now being urged because of the desire to take away from the courts of our country the power to pass on the question of the equality of administration of antitrust laws. This is a trend that is being accelerated in recent years.

We had the same proposition in the insurance field. When I came to Congress 34 years ago there was a very unjustifiable condition existing in my State with reference to insurance practices. I went to see the Attorney General, who happened to be Mr. McReynolds, at that time, in the beginning of Woodrow Wilson's administration, to see if something could not be done by the Department of Justice to correct this inequality and this monopolistic practice under which we were living. Mr. McReynolds promptly advised me that the Supreme Court had held that insurance was not commerce, and therefore there was nothing he could do.

I have always believed that a policy of insurance applied for in Kentucky and consummated in New York and sent through the mails across State lines to my State was just as much a piece of commerce as a share of stock in a corporation in which I have an equitable interest, issued in New York and mailed to me in Kentucky. But somebody brought a lawsuit to test the validity of the original opinion of the Supreme Court. It was in the Supreme Court for them to determine whether, after all, they would reverse their original decision holding insurance not to be commerce. Whereupon a bill was introduced in the Congress of the United States declaring that insurance was not interstate commerce, and undertaking to take away from the Supreme Court the jurisdiction to try the question of whether it was commerce, to take away jurisdiction to reexamine their original opinion on that subject.

As I have said heretofore, largely due to the legislative ability and the alertness and persistence of the Senator from Wyoming [Mr. O'MAHONEY], a fair and workable bill was finally passed. The Supreme Court subsequently reversed their original opinion and held that insurance is commerce among the States.

So when the Antitrust Division of the Department of Justice goes after someone, not to secure a conviction, but in a procedure to determine whether there has been a violation of the law on a wholesale scale, it is customary now to introduce in Congress a bill lifting the conduct, or the commodity, or the agency out of the purview of the antitrust laws, so that no matter if a decision of the Supreme Court should be favorable, it would be nullified in advance by legislation enacted by the Congress.

Mr. President, I realize that it is necessary and convenient to have traffic bureaus in communities. I realize there must be liaison between one railroad and another in the shipment of freight across State lines, and in the provision for joint rates we have legalized such practice. We did it in 1920 by providing that there might be joint through rates on different railroads to be administered by the Interstate Commerce Commission. The Transportation Act of 1940 reiterates and strengthens and, to some extent, enlarges that power. No one contends that that is a violation of the antitrust laws. But the Supreme Court and the other Federal courts in the two or three series of litigations which are now pending, are called upon to determine whether the railroads have gone beyond the permission given by Congress to set up joint rates and to establish agencies by which joint rates may be effectuated. The Department of Justice, having had their attention called by preliminary investigation and by the complaint of public bodies in the United States and citizens who are entitled to be heard, that there may have been a violation of the provisions of the antitrust laws, we are now asked to make it impossible for the Supreme Court or for any other court to render an effective decision, even though they find there has been a gross violation of the antitrust laws. That tendency and trend, which was initiated in the insurance field, is now being applied in the railroad field.

We have now before the Congress a legislative proposal that there shall be designated only one air line to carry passengers and freight across the oceans—just one line. I hope that bill will not reach the Senate of the United States, but if it does I propose to exercise all the parliamentary rights I enjoy in order that it shall not become a law. We might as well make one steamship line a monopoly to carry all passengers and all freight across the oceans, as one air line. We might as well say that one railroad company shall have a monopoly in carrying freight to our seashores to be loaded onto steamships, or in carrying passengers to be embarked upon airplanes to go across the oceans of the world to places in which our people may be concerned.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. O'MAHONEY. I am glad the Senator has pointed out the effort to have one air line take charge in the whole field of international transportation. It is merely a way station on the road to complete Government monopoly.

Mr. BARKLEY. Oh, yes; and in the meantime there would be private monopoly, until the Government would be forced to take it over. In view of the effort in the insurance field and in the transportation field by rail and water and bus and air, I feel that there is something insidious about the whole program. I do not indict any Member of Congress on that score, but there is an integration of interest among those who are seeking to use the Congress of the United States for the purpose of not protecting the people against monopoly, but of fastening monopoly upon them by enactment of law. I am not willing to be a party to any such program.

Mr. HILL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HILL. The Senator from Wyoming made a very wise observation about the air-line bill, if it passes, setting up a way station toward Government ownership and Government operation. Does not the Senator from Kentucky agree that all such bills, if enacted into law, will constitute way stations toward the nationalization of the industries affected; in other words, toward socialism in America?

Mr. BARKLEY. I certainly do take that long-range view, because I think ultimately the American people will revolt against a program of monopoly. For 60 years they have been fighting monopoly, and, as they have had a perfect right to do, they have brought their viewpoint to the attention of the Congress of the United States in the original enactment of the antitrust law, and every amendment that has been made to it since it was first enacted. They have a right to know that the entire program which is now being attempted in the transportation field will not only lead ultimately, as I believe, to Government ownership and operation and to socialization of our transportation system; but if it does not lead to that, it will certainly lead to private monopoly before the Government is required to take over. I do not believe in private monopoly either in the transportation field or in the industrial field.

I see no justification for this proposed legislation. I have on my desk, as all Senators have, a list of organizations of various kinds which have endorsed the proposed legislation. The other day I received a letter from someone in Memphis, Tenn., whose name I do not now recall, who had some official connection with one of the organizations which have endorsed the proposed legislation. Probably we all received similar letters. The writer stated that someone had accused those organizations of being "high-

pressured" by the railroads to endorse the bill. He was indignantly resenting the idea that he or his organization could be "high-pressured" by a railroad or by anyone else into endorsing a piece of legislation unless they favored it.

I made no such claim as that. I do not know why he should have berated me, because I have never made any such statement or intimation, either in the Senate or anywhere else. I have never said that any of those organizations was "high-pressured" by the railroads into endorsing the proposed legislation. Personally I do not care whether they have been "high-pressured" or not. If every one of them did it on its own initiative, without ever having had the matter called to its attention by the railroads, I still would be against it.

If every organization in the United States—commercial, industrial, labor, farm, or any other type of organization—endorsed the bill, I would still be against it, because I think it is vicious legislation. I think it is an effort to impose a transportation monopoly upon the people of the United States. I say that notwithstanding the fact that the Interstate Commerce Commission still would have power to pass upon the fairness and justice of rates and practices among the railroads. However, the Interstate Commerce Commission was not established as a law-enforcement agency. It was never clothed with the authority to make preliminary investigations with respect to combinations in violation of the antitrust laws. The Interstate Commerce Commission is a rate-making body or a rate-approving body. Its jurisdiction has been enlarged until it has the right to approve certain practices or to deny such practices to the railroads. It is not a law-enforcement agency. It was never conceived as such. In my judgment it is not equipped, and cannot be equipped, in addition to its present duties, to investigate whether the antitrust laws are being violated by the railroads. I say the railroads. The bill applies not only to railroads, but to water carriers, busses, trucks, and even freight forwarders, who are organizers of the shipment of freight in their communities, but have no official connection with any railroad. So the bill applies to everyone who has any organized connection with the shipment of commodities from one part of the United States to another. It exempts them from the provisions of the antitrust laws. They will no longer be subject to the antitrust laws, no matter what they may do.

Mr. HILL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HILL. Is it not true that Congress, in passing the Interstate Commerce Act and amending that act, as it has done several times, as the Senator knows, recognized that there was a broad, wide field which was left to competition and to the operation of the rules of competition, and to managerial discretion? That field was not supposed to be, and has not been, and is not now, under the Interstate Commerce Commission. The bill would destroy competition and ratify and make lawful the proposed monopoly, so we would have a private government of the transportation industries, operating beyond any control whatever so far as the Government of the United States is concerned.

Mr. BARKLEY. That is undoubtedly true. The day of railroad pioneering is over. No more new railroads are to be built, and therefore there is no possibility of further competition so far as the construction of new railroad lines is concerned. But there is competition in service. There is competition in equipment. There is competition in the method by which one railroad, as compared with another, hauls freight and accommodates those who desire to ship commodities over the railroads, or who desire to travel over the railroads. So the day of railroad competition has not disappeared, although the day of new railroad construction has disappeared.

What we are doing in this legislation is saying that we will no longer exercise punitive power over any combination of railroads, busses, trucks, or steamships engaged in interstate commerce, no matter what they may do, unless the Interstate Commerce Commission, by some pious resolution or moral persuasion, can dissuade them from some practice. The antitrust laws and the Department of Justice would no longer have any jurisdiction with respect to such conduct.

Mr. HILL. Mr. President, will the Senator further yield?

Mr. BARKLEY. I yield.

Mr. HILL. Of course, there was competition among the railroads in the matter of rate-fixing until the railroads established the private government which they now have, and which is being attacked in the Supreme Court.

Mr. BARKLEY. Yes.

Mr. HILL. I have before me the decision of the Supreme Court in the case of *State of Georgia* v. *Pennsylvania Railroad, et al.* (324 U. S. 439, 458). The Supreme Court summed up the heart of the question which is before us today. The Supreme Court had this to say:

> The type of regulation which Congress chose—
>
> When it passed the Interstate Commerce Act and amendments thereto—
>
> did not eliminate the emphasis on competition and individual freedom in rate making. * * * The act was designed to preserve private initiative in rate making, as indicated by the duty of each common carrier to initiate its own rates. (*Arizona Grocery Company* v. *Atchison, T. & S. Ry. Co.* (284 U. S. 370).) If a combination of the character described in this bill of complaint—
>
> That is what we have today, and that is what the bill seeks to make lawful—
>
> is immune from suit, that freedom of action disappears.
>
> That is, the freedom of action of the individual carriers in competition.
>
> The coercive and collusive influences of group action take its place. A monopoly power is created under the aegis of private parties, without congressional sanction and without governmental supervision or control.
>
> The court summed up the issue before us. The issue is whether we are to have a private government of the railroads, without any competition as between the roads in rate making, equipment, service, or anything of that kind, but with the hierarchy of the private government dictating to all the roads, and with the destruction of competition.

Mr. BARKLEY. They exercise the power to determine whether a matter shall even come before the Interstate Commerce Commission. Before it ever gets there, they pass on that question. So there is really a hierarchy. It is a government within a government, but not controlled by government.

It has been urged that Congress has the power to decide the policy with respect to transportation. Congress has done so time after time. It did so in the orginal act to regulate commerce. It declared a policy in the Transportation Act of 1920; it declared a policy in the Transportation Act of 1940; but we are withdrawing a part of the policy which Congress, for two generations, has insisted upon with respect to the regulation of transportation in the United States.

I might say to the Senator from Alabama that the enactment of this bill will not only take away from the Supreme Court anything but a moot question in regard to the litigation now pending, but it will nullify the decision of the Supreme Court from which the Senator from Alabama has just read. So what we are doing now, as we have been urged to do in other matters, is to nullify by congressional action a decision of the Supreme Court upon a high-policy question in regard to the greatest industry in the United States—our transportation system. I believe it is unwise; I believe it is vicious; I believe that if carried on it will ultimately result in complete monopoly and cartelization not only of railroads but of those who use railroads in the shipment of their commodities.

Mr. HILL. Mr. President, the Senator has said the very thing I wanted to hear him say when I rose to ask him to yield. I wondered if he was not going to make that very observation. Transportation is the greatest industry in America. Every other industry in America is dependent upon it. How can we have a monopoly cartelization in the transportation industry without its following through all other industries?

Mr. BARKLEY. Of course if we have a right to say that a railroad over which the United States Steel Corp. ships its products shall be exempt from the antitrust laws, why should we not go further and say that the United States Steel Corp., which manufactures products and ships them over the railroads, shall likewise be exempt from the antitrust laws, because they are both a part of our industrial establishment? Why not say the same about the International Harvester Co., or the American Aluminum Co., or the Standard Oil Co.? Why not say to them: "You support the railroads by your freight; you pay the bill; and if the railroads are to be exempt, as a part of our industrial system, why not exempt every great concern that ships commodities over the railroads?"

Mr. HILL. The bill is so drawn and so all-inclusive in its terms that I am not sure many of the things the Senator has suggested, for instance, the steel rails for the railroads, will not come under the provisions of the bill.

Mr. BARKLEY. I am not so certain that under this bill the United States Steel Corp. could not set up a little group and call it a freight forwarder and be exempt from the antitrust laws. Any other great company might do the same thing. The language is sufficiently broad to go much further than merely to lift the railroads and their practices out of the purview of the antitrust laws, when the implications of the language of the bill are finally interpreted by a court, which if the bill is enacted into law, I suppose will finally take place.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Georgia.

Mr. RUSSELL. There is little doubt that the implications of this bill, as recited by the Senator from Kentucky, are thoroughly familiar to the small business interests of the country, despite the imposing list of people who are supposed to have endorsed the bill, which list was submitted by the Senator from Kansas [Mr. REED]. We find that the small business organizations of the country are very much opposed to it. I hold in my hand a letter from the National Federation of Small Business, Inc., which is supposed to represent more than 200,000 small businesses in the Nation. They state that the bill was submitted to their membership on a Nation-wide poll. The letter says:

I am attaching for your information and record the result of this poll. The vote was as follows:

Eighteen percent for the bill.
Eighty percent against the bill.
Two percent not voting.

The letter goes on to say that instead of weakening the antitrust laws they think the laws should be strengthened.

If the Senator does not object, I should like to have that letter printed in the RECORD.

Mr. BARKLEY. I should be very glad to have it printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL FEDERATION OF SMALL BUSINESS, INC.,
Washington, D. C., June 11, 1947.

Hon. RICHARD RUSSELL,
United States Senate,
Washington, D. C.

MY DEAR SENATOR RUSSELL: It is reported in the New York Times of yesterday's date "Railway Pact Bill Opposed in Senate—Russell says Measure Would End Antitrust Control."

I believe you will be interested in knowing the results of a Nation-wide poll made by this association shortly after the introduction of the Reed-Bulwinkle bill. I am attaching for your information and record the result of this poll. The vote was as follows: 18 percent for the bill, 80 percent against the bill, 2 percent not voting.

Bear in mind Senator, that the question was put to this large membership of the Federation throughout the Nation in a simple, understandable way, and we here add to the membership vote by opposing any action that would weaken the antitrust laws.

The truth of the matter is, due to the testimony given recently before the Senate Civil Service Committee by the then Assistant Attorney General Wendell Berge (February 1947) it is our opinion, instead of any attempt to weaken the law that Congress should be more insistent that the law be rigidly enforced, that is, if free enterprise is really to remain in our Nation's economy.

Sincerely yours,

GEORGE J. BURGER.

Mr. BARKLEY. Mr. President, I have a suspicion that if many of the organizations which have endorsed the bill had had the same kind of explanation given to them as to its implications and ramifications, many of them would not be on the list today.

Mr. President, I wish to conclude my remarks. I have already taken more time than I intended. There is no camouflage about this bill. In my judgment, the railroads, through their association, desire to have the transportation system lifted out from the jurisdiction of the antitrust laws. Judge Fletcher, who is the attorney for the Association of American Railroads, and who is a very able lawyer, an outstanding American, and for whom I have the utmost respect and admiration and personal affection, stated without any equivocation that he thought railroads and similar transportation systems which are regulated ought not to be under the antitrust laws. He is perfectly honest in that belief.

Mr. HILL. I think Mr. Fletcher included not only the transportation industry but industries which are under the jurisdiction of the Federal Power Commission and other similar Government agencies.

Mr. BARKLEY. His advocacy of the bill was, by its very terms, extended to all organizations of business that are regulated under certain laws. I cannot accept that philosophy. I, therefore, cannot support the bill. If it shall be passed by the Congress of the United States, I express here publicly the fervent hope that the President of the United States will veto it. I cannot imagine a more justifiable veto than one exercised with regard to this piece of proposed legislation.

Mr. BARKLEY subsequently said: Mr. President, I ask unanimous consent to have inserted in the RECORD at the conclusion of my remarks made earlier today on the pending legislation an editorial from the June 12 issue of the Louisville Courier-Journal entitled "Monopoly Is the Issue in the Senate Forum," and also an editorial entitled "Back to Monopoly," published in the June 15 issue of the Charleston (W. Va.) Gazette.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Louisville Courier-Journal of June 12, 1947]

MONOPOLY IS THE ISSUE IN THE SENATE FORUM

A debate has opened in the Senate on an issue of which the public should be more aware. It is presented by the so-called Bulwinkle bill. This seeks to exempt railroads and other common carriers from prosecution under antitrust laws for agreements among themselves on rates, charges, settlements, and similar general practices.

Opposing the bill, Senator RUSSELL, of Georgia, and Senator TOBEY, of New Hampshire, charge flatly that the railroad lobby has put extraordinary pressure on Congress. The New Englander clashes with lobbyists personally in a Washington restaurant after he is informed that they are making distinctly unflattering personal remarks about him and his activities. Both Senators know, as the country should know, from the bare facts of the case, that passage of the bill can but mean a weakening of laws against monopoly. Both express a large body of opinion which views with misgivings a trend of special interests to work for exemptions when old privileges are ended by the courts or endangered by popular rebellion.

There have been of late several striking illustrations of the trend. Two years or so ago the Supreme Court held that an organization of southeastern fire insurance companies was liable to prosecution for having agreed on rates, removing this item from competition. Immediately one of the most powerful of lobbies moved into action, working for special antitrust exemption for the insurance industry. It almost succeeded, the fight winding up with a compromise by which exemption was granted for a limited period.

More recently, the strategy was employed by the News Publishers Association to amend the antitrust laws. The Supreme Court had ordered the Associated Press to amend its bylaws to eliminate the practice of granting exclusive franchises for its news service. The Mason bill was designed to circumvent this decision by granting exemption to news agencies. This legislation is pending, with Col. R. R. McCormick, publisher of The Chicago Tribune, spearheading the drive in its support. It is to be recalled that the court decision came as result of a suit by The Chicago Sun, newcomer competitor of Colonel McCormick's venerable Tribune, which had been denied an AP franchise under existing bylaws.

Now come the railroads into the lists. They took a beating recently from the Supreme Court, in a decision upholding an Interstate Commerce Commission order that tended to equalize North-South freight rates. But the railroads are known to fear most two antitrust actions against them now pending in Federal courts. Now soon to be heard by the Supreme Court is a suit started by Ellis Arnall when he was Governor of Georgia, asking damages from a group of railroads for rate discrimination against the South. In a Nebraska district court is a suit charging Western railroads with monopolistic practices. It is hard to convince opponents of the Bulwinkle bill that that proposed legislation is not an effort to beat the courts to the punch, and to win exemption before the blow falls.

True, the friends of the bill have a plausible case, though it is strikingly similar to the vain arguments by insurance companies. They say that rate agreements in a business so large and complicated as transportation are necessary to avoid utter confusion. Literal competition, they argue, would spell demoralization. They point out that the bill provides that the ICC must approve the agreed rates and practices, and that shippers as well as railroads are for them.

But the other side looks on these claims with justified suspicion. The ICC has rarely been in position to do more than approve the intricate schedules which railroads submit. A complete argument has never been presented to business organizations, farm groups or shippers that are held up as supporting the exemption. The bill passed in the House last year after less than an hour's debate. Only now is it getting an adequate airing in the Senate. We can only point out that the whole subject of monopolistic practices is one with which President Truman is familiar. His administration is committed to oppose them. We shouldn't be at all surprised if the bill is vetoed, assuming that it passes the Senate.

[From the Charleston (W. Va.) Gazette of June 15, 1947]

BACK TO MONOPOLY

Republicans in the United States Senate have shown where their interests lie. They are with the great combinations of capital and not with the average citizen. In this they have changed not one particle from the Republican principles of the old Mark Hanna-McKinley days.

The 50,000,000 American people who live in 14,000,000 dwellings are worried sick. They learn that a well organized, lavishly financed real estate lobby is about to force the Republican Congress to relinquish rent controls so that they will be left at the mercy of rent hogs all over the Nation.

While the people cry for protection it is denied them. Not so the railroads.

Senate majority leader TAFT places the Reed bill, to exempt the $26,000,000,000 railroad industry from the provisions of the antitrust laws, next on the Senate calendar—ahead of rent control.

If a new rent law is passed it will leave the way wide open for rapacious landlords to hike the rent of helpless tenants 15 percent; if no law at all is passed the present rent control law will expire June 30 and all restraints will be removed. We should not be surprised if the latter course is adopted in the hurry and turmoil of the close of the present session.

Republicans, ever willing to fetch and carry for big business, bow before lobby pressure for speed in their interests. The railroads need haste now because two important cases are pending against them under the antitrust laws.

First is the case in the Supreme Court against the Pennsylvania Railroad for alleged rate discrimination against the South.

Second is the case pending in the Federal district court in Lincoln, Nebr., charging monopolistic practices by the western railroads.

The railroads want protection from verdicts of guilty.

Long-range objective is to build a monopoly of all railroad transportation.

To consumers it means higher costs.

To businessmen it means higher costs.

Eastern private utility interests, already dictating budget cuts to congressional Republicans on western reclamation projects, would have their detrimental power further extended over the Nation.

Meanwhile TAFT and his allied monopolists have placed the Reed bill before the interests of 50,000,000 renters.

Democrats prevented passage of the Reed railroad bill in the Seventy-ninth Congress.

Republicans are protecting their backers in the Eightieth Congress.

All this even at the cost of the destruction of the American home through spiraling rent costs.

Now it looks as if the conspiracy is to railroad the Reed bill through Congress in the confusion of the last days of the present session.

It is a show-down fight between the liberal Democrats who have stood for a decade and a half for the interests of the poor and middle-class citizen against the reactionary Republicans who are bent upon taking the gains away.

The Republican leopard has not even tried to change his spots. The Republican organization is openly the creature of monopoly. It would return this country to the days of the $2 wage scale, to widespread unemployment, to poverty and dependence of millions of citizens who are now living better than they ever have before.

Have you had enough?

If you don't think you have, wait until the present session of Congress is over and you have time to appraise the net results.

Mr. REED. Mr. President, I yield 15 minutes to the Senator from New Jersey.

Mr. HAWKES. Mr. President, in supporting the passage of the Reed-Bulwinkle bill, Senate bill 110, I wish to state that I have listened to the arguments pro and con in connection with this bill to the limit that my other duties in the Senate would permit.

I realize that all of us become very earnest when we are supporting or opposing something in which we are deeply interested and it is difficult to put in their proper places our personal interest and the interest of our own States and communities to the end that we look at the picture as a whole, carefully weighing the facts in the interest of all the people of the Nation.

I have been much amazed at the criminations and recriminations which have been made in connection with this bill.

I wish to say that I know the executives and department heads of many of our transportation companies throughout the United States. Taking them all in all, they are as fine a group of men as I know in any branch or in any group of our American life. In a great many cases, probably more than in any other business, the top railroad executives of today are the workers of yesterday.

I still carry in my mind the case of Harahan, who became president of the Illinois Central Railroad and was killed at Terre Haute a great many years ago. He, a poor Irish boy, started as a track walker on the Illinois Central at $1 a day and rose to the presidency of that great company.

I think it is unfortunate for any of us to condemn all the leaders of any industry because such condemnation is not fair in the United States of America, nor does it help us to come to a decent and fair understanding of the problems confronting us.

The management and working people of the transportation companies in the United States have given to the United States the greatest transportation system in the world. They have performed a feat in war transportation which, if properly appraised, would be rated as one of the great accomplishments of the war. I say that advisedly, because I have heard General Eisenhower and other leaders of our forces say repeatedly that had it not been for the railroads and our magnificent transportation system, we never could have done what we did do in the war.

General Eisenhower himself told me that communications and transportation were the two most important elements in waging war, because without them, efficiently operated, neither Army nor supplies could move; and that would mean we could not carry on an offensive war.

The pending bill, to my mind, carries none of the serious implications which have been attributed to it by those who oppose it.

Some of my finest friends in the Senate are opposed to it because they feel their sections of the country have been discriminated against in rates over the past 50 years. Perhaps they have been. I am not here to speak on that subject. If they have been, such discrimination should be cured, and equity and justice should be evenly spread throughout the United States in the transportation system as well as in every other segment of our American life.

To me this bill simply says that certain joint-rate bureaus and conferences are vital to the establishment of rates of transportation, schedules, and the other things cited in section 2 of the bill.

The fact is that these procedures have been in effect for 50 years, and only in the past few years has the Department of Justice seen fit to question these acts as being in violation of the antitrust laws of the Nation.

I am as much opposed to monopoly and the inequities of coercion, threat, and intimidation, which deprive Americans of the right of free action as is any other Member of the Senate.

Nothing in this bill gives any railroad or any group of railroads the right to indulge in intimidation, coercion, reprisals, or conspiracy, so far as I can see, in connection with the conferences which are vital and necessary if the railroads are to arrive at rates, schedules, and the other things covered in the bill.

As I uderstand this bill, if any railroad or group of railroads or transportation companies indulge in practices not approved by the Interstate Commerce Commission, as defined in the bill, such railroads will not in any way be exempted from the antitrust laws of the United States. Even the Department of Justice or any transportation company or any citizen has a right to request review of any approval given by the Interstate Commerce Commission.

I cannot see how the decisions in the Georgia and Lincoln, Nebr., cases will be affected in any way by the passage of this bill. The objectives of this bill were conceived long before any suits were instituted by Georgia or by the Department of Justice at Lincoln, Nebr.

If this bill is passed and becomes law, it will say that the representatives of the people of the United States believe that the transportation companies should be permitted to continue their processes of arriving at rate schedules, and so forth, and that as long as they keep within the scope of the agreements made by them and approved by the Interstate Commerce Commission, they will not be subject to persecution or prosecution.

Right here I should like to say that every Member of the Congress has something to think about in connection with the difference between persecution by the Department of Justice and prosecution in the proper sense of the word. If we want to break down the American system which has grown up under the general direction of private individuals, I know of no better way to do it than to use the Department of Justice for persecution and harassment, rather than to use it properly in prosecuting for wrongdoing.

Mr. President, notwithstanding many statements to the effect that Senate bill 110 has as its purpose the welding together of monopoly in the railroad industry, the true facts reveal that this proposed legislation is needed for the purpose of establishing for the future a procedure necessary to carriers regulated by the Interstate Commerce Commission, because of the nature of the industry of which they are a part.

Individual corporate entities within the railroad industry are completely interdependent, exchanging equipment, rights-of-way, and contracts, to the end that this Nation is served by a continuous, standardized, efficient transportation system.

All this is necessary to make it possible for the producer of lettuce in California's Imperial Valley to place his product on the table of a Boston household, for the

producer of oranges in Florida to put his product in a northern market, and for fish caught in Alaskan waters to be put on the rails in the State of Washington and be handled by three or four railroads to the end that it promptly reaches grocers in Washington, D. C.

It was because of this interdependence of the individual railroads that the Interstate Commerce Commission, the first of the Federal regulatory agencies, was created in 1887. It was created to safeguard the public interest; and it has done a good job, as is attested to by all elements affected by that industry.

The enactment of this bill is necessary to clarify, through the expression of the Congress, the confusion which has arisen in recent years from the assertion of the Department of Justice and others that a conflict exists between the rate-making authority of the Interstate Commerce Commission and the antitrust laws of the United States.

I think we should take note of the fact that this bill has received the unqualified endorsement of 48 States and Federal governmental authorities; 20 carrier organizations; 85 shipper, traffic, and transportation organizations; 145 agricultural and livestock organizations; 108 business organizations; and 552 chambers of commerce, civic, and other organizations—a total of 958 responsible organizations, all of whom would be affected by its enactment.

To my amazement, I have heard it said on the Senate floor that the very fact that all our business institutions, traffic associations, and the various agencies of business throughout the United States are supporting this bill is a reason it should be defeated. I cannot go along with that kind of reasoning. I thought we in the Senate are here to represent the people of the United States, and not particularly the Justice Department. I thought that the Department of Justice was only an agency of the Government; I never dreamed that its purpose was to interfere with the proper conduct of business and the interest of the people as a whole.

The people who are supporting this bill, as it is now before us, represent millions upon millions of American citizens who are making the wheels go around to produce the revenue from which this Government, through taxation, derives its only power to exist.

If we are to stand and sneer at them or question this bill because they support it, then all I can say is that the future of this great country is in jeopardy.

Mr. President, I should like to say that today the history of the world shows conclusively that every nation and every people who have set about to destroy their leaders and thinkers and doers and kill the genius of the nation ended in the junk pile; and under such conditions the common man is far worse off than he is under any other conditions. So it is that our Nation will be far worse off if we in Congress stand off and sneer at the genius and the thinkers and the doers and leaders of our Nation.

Senate bill 110 will not relieve the railroad industry of responsibility under the antitrust laws in any respect, other than in the field of rate agreements; and in that case the bill provides what in my opinion are complete safeguards of the public interest, through the definition of the responsibilities of the Interstate Commerce Commission in the matter of rate establishment.

I quote from page 7 of Senate Report 44, which accompanies Senate bill 110, from the Interstate and Foreign Commerce Committee:

> The bill leaves the antitrust laws to apply with full force and effect to carriers, so far as they are now applicable, except as to such joint agreements or arrangements between them as may have been submitted to the Interstate Commerce Commission and approved by that body upon a finding that the object of the agreement is appropriate for the proper performance by the carriers of service to the public, that the agreement will not unduly restrain competition, and that it is consistent with the public interest as declared by Congress in the national transportation policy.

In connection with this alleged abridgment of the antitrust laws, which it has been suggested is provided by this bill, I should like to suggest that section 5 of the Interstate Commerce Act permits the merger of two or more carriers, when approved and authorized by the Interstate Commerce Commission; and when that process has been completed, the antitrust laws do not apply, and the companies involved have complete immunity from the operations of the antitrust laws.

Senate bill 110 would authorize the establishment of rates, when regulated and approved by the Interstate Commerce Commission. This, it seems to me, is a clear analogy. I cannot see what there is about the fixing of rates under the method provided in this bill which differs from what is involved in the case of mergers permitted by section 5 of the Interstate Commerce Act. If the public interest is protected in the one case by the Interstate Commerce Commission, it most certainly is in the other.

In the face of this Commission's splendid history, it is not now proper to imply that it is incompetent to administer in the field of rate fixing, or to suggest that such a limited authorization is a substitute for the antitrust laws in policing the intent of Congress.

If we do not give the Interstate Commerce Commission power to regulate the rate conferences and committees, how is this problem to be dealt with? No one seriously proposes that all rate conferences and committees be abolished. Even the Department of Justice admits that consultations and conferences among the railroads about rate changes are necessary.

The courts cannot and will not regulate the conduct of the rate conferences and committees. They will decide that certain specific practices are illegal under the law, and will enjoin the repetition of those practices; but the courts will not establish or attempt to administer any system of general regulation. They have no constitutional authority to do so. That is primarily a legislative function. The courts do not have the facilities to undertake administrative regulation. The courts themselves have frequently said that they will not enter decrees that have the effect of requiring the court to undertake the continuing administration and regulation of an industry or of its practices. History shows that it is impossible to settle the problem of rate conferences and committes by litigation.

After the decision of the Supreme Court in *United States* v. *Trans-Missouri Freight Association* (166 U. S. 290) and *United States* v. *Joint Traffic Association* (171 U. S. 505), the railroads modified and changed the organization and the rules of the rate conferences in an attempt to bring them into line with what the railroads believed the antitrust laws required.

For nearly 50 years, everyone supposed that the rate conferences and committees, as changed and modified, were not unlawful. In fact, in 1899, Attorney General Griggs handed down an opinion holding that it was not unlawful for the railroads to establish a classification committee which established common freight classifications to which the railroads agreed. Then, a few years ago, the Department of Justice attacked the rate conferences and committees as illegal combinations.

Let us assume that the Department of Justice wins the suit that it has brought against the railroads in the United States district court at Lincoln, Nebr. Then the railroads will change their form of organization, just as they did after the two earlier decisions, but it will still be possible for some later Attorney General to make a new attack upon the rate conferences and committees—an attack based either upon changed conditions or upon some new theory as to the meaning and application of the antitrust laws.

When that happens we shall be in the same position as we are today. The time has come to end the uncertainty and confusion about the legality and the operation of rate conferences and committees. How much harassment can the railroads and transportation companies stand and yet function efficiently? The railroads face many serious problems in the future.

It has also been suggested by opponents of this bill that because of the pending Georgia and Lincoln cases the bill represents an attempt to beat the courts to the punch with legislation.

I should like to point out that the original Bulwinkle bill, House bill 2720, was introduced on May 17, 1943. The Georgia suit was filed on June 19, 1944, 13 months later, and the Lincoln suit was filed on August 23, 1944, 15 months later. Clearly, the bill was drafted and introduced before action in the courts commenced.

Mr. President, the merits of this bill require consideration by the Congress, regardless of the pending antitrust litigation against the railroads.

This bill is prospective in its operation and does not have the effect of giving the railroads immunity for anything illegal that they may have done in the past.

Georgia's suit in the Supreme Court against the railroads is a suit that charges the railroads with having combined and conspired to fix rates, by coercion, that discriminate against Georgia.

This bill does not give any immunity to any coercive combination. Paragraph 6 leaves such a combination subject to the antitrust laws, just as it is today.

Nothing in the language of the bill purports to prevent the Department of Justice from carrying on its suit that now is pending in the United States District Court for the District of Nebraska. If the Department of Justice can prove the allegations it has made in that case, it might be entitled to injunctive relief, notwithstanding the passage of this bill.

I suppose that the court in the Nebraska case, in reading the Interstate Commerce Act and the antitrust laws together, could decide, if the facts so warrant, that the antitrust laws govern, notwithstanding the Interstate Commerce Act. The pending bill would, so far as rate cases are concerned, limit the area of operation of the antitrust laws.

There is no possible reason for awaiting the outcome of the litigation before enacting this legislation.

The problem raised by the rate conferences and committees is primarily a legislative problem. It is a problem of defining the general standards that shall govern the conduct of these organizations in the future, and the problem of authorizing an agency to administer and enforce those standards.

We cannot expect the courts to solve this problem. The courts do not legislate. They do not lay down general rules of conduct for the future. The courts decide specific controversies.

Let us assume, for the moment, that both the State of Georgia and the Department of Justice win their pending suits against the railroads. The decrees in those suits would not settle the general problem. The decrees would merely enjoin the railroads from continuing to perform certain specific acts that they have committed in the past.

As new questions arose on new facts, more litigation would arise; and the whole subject would be left in the confusion and uncertainty which envelop it today.

There might be dozens of lawsuits, and the problem of laying down a general rule of conduct for the rate conferences and committees in the future would still not be solved. That is the problem with which this bill deals.

I doubt very much whether in solving this problem Congress would get much assistance from the decisions of the Court in the Georgia and the Lincoln cases. In those decisions the Court would decide whether specific acts that the railroads had committed in the past were illegal, but I doubt whether it would throw much light on the question of how the rate conferences and committees should be regulated in the future. That is a legislative problem, and a problem that Congress should solve. It is just as much a legislative problem as is the problem of the merger and consolidation of railroads, which Congress has dealt with in section 5 of the Interstate Commerce Act.

In short, Mr. President, the case for the bill may be put in this way:

The nature of the transportation industry makes it absolutely necessary that there be rate conferences and committees. Those conferences and committees should be regulated by the Interstate Commerce Commission. Congress itself should define the standards that the Commission should apply in regulating those bodies.

Since the conferences and committees are to be regulated by the Interstate Commerce Commission, any action that the railroads take in compliance with the approval and the directions of the Interstate Commerce Commission should not expose the railroads to suits or to prosecution under the antitrust laws.

I am strongly in favor of doing justice to all sections of the United States. If it is the will of the people that the railroads should be permitted to carry on as this bill will permit them to do, and if that is deemed injurious to the Georgia and Lincoln, Nebr., cases, then I should say that those cases should be confined to past actions, and not future cases or conduct of the railroads.

If when we get through with this bill there are opportunities for injustice and inequity to be done to certain sections of the country, we must find a way to cure that situation. To my mind, the protection and preservation of the right of independent action by any railroad or group of railroads as defined in this bill should take care of local or regional conditions. Coercion, conspiracy, threats, and intimidation are not removed by this bill from the application of the antitrust laws.

I am strongly in favor of the passage of Senate bill 110, simply for the reason that I believe it will provide an appropriate way, in accordance with established precedent, under which our great transportation system can function successfully and effectively. It is my earnest hope that all of us, after careful reflection, will cease to attack unjustly the directors of the great transportation system of the United States, and, instead, will properly hold them responsible for fair treatment to their clients and a just relationship among themselves to the same extent that we hold other segments of our American life responsible.

Mr. REED. Mr. President, all last week the Senate Chamber resounded with a continuous declaration that the bill under consideration would complete the monopoly of railroads over the traffic of the United States. It was repeated that the bill would remove all competition and enable railroad carriers to impose any sort of rates upon the commerce of the country that they desired.

Over the last 40 years the rate-bureau method of making rates has come to be standard. Since enactment of the Transportation Act of 1920 procedure of these bureaus has been uniform. Virtually all rail rates have been made by this method.

From 1921 to 1946 the rates charged by railroads actually decreased nearly 24 percent per ton-mile.

The average ton-mile earnings of the railroads on all traffic was 1.275 cents in 1921; in 1946 the figure was 0.978 cent. In other words, the railroad revenue per ton-mile decreased 23.3 percent. How many other services or commodities can any Senator name the prices of which in 1946 were 76.7 percent of the charge 25 years ago?

Mr. President, I ask unanimous consent to have inserted, as part of my remarks, a table showing the average revenue per ton-mile by years, through all years from 1921 to 1946, inclusive, also the average revenue per passenger-mile through this same period, the average hourly pay of employees, and a comparison of the unit price of railroad materials and supplies by years, from 1921 through 1946, inclusive.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Revenue per ton-mile and per passenger-mile versus wage rates and material prices—railways of class I in the United States, calendar years 1921 to 1946, inclusive

Year	Average revenue per ton-mile		Average revenue per passenger-mile		Average straight-time wage rate per hour		Index of average unit prices of railway materials and supplies (1921=100)
	Cents	1921=100	Cents	1921=100	Cents	1921=100	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1921	1.275	100.0	3.086	100.0	60.8	100.0	100.0
1922	1.177	92.3	3.027	98.1	59.6	98.0	95.8
1923	1.116	87.5	3.018	97.8	59.5	97.0	103.8
1924	1.116	87.5	2.978	96.5	61.0	100.3	101.1
1925	1.097	86.0	2.938	95.2	61.8	101.6	98.4
1926	1.081	84.8	2.936	95.1	62.1	102.1	97.9
1927	1.080	84.7	2.896	93.8	63.5	104.4	95.8
1928	1.081	84.8	2.850	92.4	64.6	106.3	95.2
1929	1.076	84.4	2.808	91.0	65.8	108.2	96.3
1930	1.063	83.4	2.717	88.0	67.2	110.5	92.5
1931	1.051	82.4	2.513	81.4	68.4	112.5	86.7
1932	1.046	82.0	2.219	71.9	63.1	103.8	80.8
1933	.999	78.4	2.013	65.2	62.3	102.5	79.7
1934	.978	76.7	1.918	62.2	62.9	103.5	88.3
1935	.988	77.5	1.935	62.7	67.9	111.7	89.3
1936	.974	76.4	1.838	59.6	68.2	112.2	92.6
1937	.935	73.3	1.795	58.2	70.1	115.3	102.9
1938	.983	77.1	1.875	60.8	74.2	122.0	102.6
1939	.973	76.3	1.839	59.6	74.0	121.7	97.7
1940	.945	74.1	1.754	56.8	74.2	122.0	99.5
1941	.935	73.3	1.753	56.8	76.9	126.5	103.7
1942	.932	73.1	1.916	62.1	83.5	137.3	113.3
1943	.933	73.2	1.882	61.0	89.3	146.9	120.2
1944	.949	74.4	1.874	60.7	93.0	153.0	127.1
1945	.959	75.2	1.871	60.6	93.3	153.5	130.2
1946	.978	76.7	1.946	63.1	111.7	183.7	158.0

Source: Columns 1 and 3 from Statistics of Railways in the United States, published annually by the Interstate Commerce Commission. Column 5 computed from basic data shown in Wage Statistics of Class I Steam Railways in the United States, Statement No. M-300, published by the Interstate Commerce Commission. Columns 2, 4, and 6 computed from figures shown in columns 1, 3, and 5, respectively. Column 7 for years 1933-46, inclusive, compiled from semiannual reports of the railways to the Bureau of Railway Economics. Index for earlier years derived from price data compiled and published in Railway Age.

Mr. REED. Mr. President, it will be observed that while the revenue per ton-mile on freight has decreased from 1.275 cents to 0.978 cents, the passenger revenue per mile has decreased from 3.086 cents per mile, in 1921, to 1.946 cents, in 1946. The 1946 passenger-mile charge is only 63.1 percent of what it was in 1921. In the same period, the average straight-time pay per hour for all employees increased from 60.8 cents in 1921, to $1.117 in 1946. That is an increase of 83.7 percent. The cost to the railroads of materials and supplies increased 58 percent in the same period.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. REED. I yield.

Mr. O'MAHONEY. Does the Senator have any figures of the receipts per ton-mile?

Mr. REED. These are the receipts per ton-mile.

Mr. O'MAHONEY. This is the average revenue per ton-mile.

Mr. REED. That is correct.

Mr. O'MAHONEY. Does the Senator have any figures showing the over-all receipts?

Mr. REED. These are the over-all receipts.

Mr. O'MAHONEY. No, this is the ratio, but not the over-all.

Mr. REED. This is not a ratio; this is the over-all revenue from all traffic in the United States, the number of tons multiplied by the number of miles divided into the revenue. This is an over-all figure.

Mr. O'MAHONEY. But it is an average. I am wondering whether the Senator has a table showing the total receipts of railroads in 1921 as compared with the total receipts in 1946.

Mr. REED. I do not have.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to ask a pertinent question at that point.

Mr. REED. I yield.

Mr. JOHNSTON of South Carolina. To what extent did the traffic carried for the Government affect these rates? Government freight was carried much cheaper because of the arrangements with the land-grant railroads. Does the Senator know what part that played in these figures?

Mr. REED. I do not.

Mr. JOHNSTON of South Carolina. It played some part, did it not?

Mr. REED. It will play some part, yes. There was an 80 percent rate, I think, or some such rate.

Mr. President, I must request that I be not asked to yield. My time is limited.

Opponents of the bill have always proceeded, either wilfully or ignorantly, upon an erroneous basis. If, as they claim, the railroads have complete control of rates imposed upon the traffic of the country, the roads have certainly neglected to use any such power.

Every experienced traffic man knows that a majority of freight-rate changes, whether made by a bureau or in some other method or manner, are decreased. Competition between railroads, pressure from shippers from a given area, and commercial competition between large cities and great producing areas have this effect. Consistently rates decrease from any level established by the Interstate Commerce Commission. The table which I have offered is conclusive proof of this fact.

The Interstate Commerce Commission has made several Nation-wide increases in rates during the 25-year period I am discussing. Always, after a new level is established, attrition begins. Consistently rates go lower and lower until the next general increase is given.

Some months ago the Interstate Commerce Commission granted an increase in rates, to become effective January 1, 1947. The average revenue per ton-mile will be larger in 1947 than it was in 1946. The process of whittling at the rate level will then begin all over again, and, without any general increase or decrease through orders of the Interstate Commerce Commission, the average per ton-mile will be lower in 1950 than it will be in 1947. This has always been the case.

I also offer for the RECORD and ask to have included in my remarks at this point a table entitled "Comparative Freight Charges—Principal Countries."

The PRESIDING OFFICER (Mr. MALONE in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparative freight charges—Principal countries

Country	Year ended	Average revenue per ton-mile (cents)
Great Britain [1]	Dec. 31, 1937	2.406
Germany [2]	Dec. 31, 1938	2.309
Denmark [3]	Mar. 31, 1939	2.231
Norway [4]	June 30, 1939	2.678
Australia [5]	June 30, 1938	2.128
France [6]	Dec. 31, 1937	1.953
Italy [7]	June 30, 1938	1.683
Union of South Africa [8]	Mar. 31, 1940	1.378
Sweden [9]	Dec. 31, 1939	1.425
British India [10]	Mar. 31, 1938	1.003
United States [11]	Dec. 31, 1939	.973
Canada [12]	do	.909
Japan [13]	Mar. 31, 1937	.679

[1] Annual Returns of the Capital, Traffic, Receipts and Working Expenditures, etc., of the Railway Companies of Great Britain, published by the Ministry of Transport.

[2] Geschaftsbericht der Deutsche Reichsbahn Gesellschaft.

[3] Beretning om Virksomheden, de Danske Statsbaner

[4] Norges Jernbaner, Norges Offisielle Statistikk.

[5] Summary of Australian Statistics of Transport and Communications.

[6] Statistique des Chemins de Fer, Ministere des Travaux Publics.

[7] Ministero delle Comunicazioni, Administrazione delle Ferrovie Dello Stato.

[8] Report of General Manager of Railways and Harbors.

[9] Allman Jarnvagsstatistik, Sveriges Officiella Statistik.

[10] Report by the Railway Board, Government of India.

[11] Statistics of Railways in the United States, Interstate Commerce Commission.

[12] Statistics of Steam Railways of Canada, Dominion Bureau of Statistics.

[13] Report of Department of Railways, Government of Japan.

The figure for average revenue per ton-mile in each country is obtained by dividing total freight revenue by total tons carried 1 mile.

In many instances no figures are available for war years, and the significance of such figures, if available, would be doubtful. The figures given, therefore, are for years just before the war. Insofar as the United States is concerned, present-day figures are only slightly higher than in the year shown (1939, 0.973 cent per ton-mile; 1946, 0.978).

Basic figures in each case were drawn from the official reports of railway operations in the several countries, as listed below for each of the countries shown.

Foreign currencies were converted to dollar equivalents on the basis of the average exchange rate for the period covered by the statistics in each instance, as reported by the Federal Reserve Board.

Mr. REED. Mr. President, this table shows a comparison of the average ton-mile revenue by rail carriers for one of the years 1937, 1938, or 1939. The United States and Canada have the lowest ton-mile freight rate in the world. Canada is a fraction of a mill lower than the United States.

The United States not only has the most efficient railroad transportation system in the world, but had in the test year, the lowest cost system with the exception of Canada. Japan is the only country having a lower ton-mile revenue than the United States or Canada.

In substance, all this bill does is bring rate bureaus, rate associations, and rate conferences under regulation of the Interstate Commerce Commission. Up to 1942, they proceeded without any regulation. The propriety and legality of their operations had been unchallenged for 40 years.

I repeat what I have said before. No common carrier may be legally paid for any service rendered, and no shipper may legally pay for such service unless there is a published tariff on file with the Interstate Commerce Commission, and/or the State commission, describing the service and setting out the charges.

Without tariffs, shippers could not obtain service from the carrier. Without tran portation service the commerce of the country would stop. Chaos would result.

Shipper opinion of the country was thrown into a panic in 1942, over the unexpected and wholly arbitrary action of the Antitrust Division of the Department of Justice. In short, shippers immediately realized the far-reaching implication of such action. That is why the shippers of the country have universally come to support this bill.

In all my contacts with transportation regulations, which have covered the last quarter of a century, I have seen nothing approaching the unanimous support which the shippers of the country have given to this legislation now under consideration.

Mr. President, the Senator from Kentucky [Mr. BARKLEY] speaking a few moments ago, referred to a telegram, though I think he made the mistake of calling it a letter, which he had received from someone in Memphis. I have a copy of the telegram, which I think went to every Senator, signed by Alonzo Bennett, president of the National Industrial Traffic League. I ask permission to have the telegram included in the RECORD at this point, as a part of my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MEMPHIS, TENN., *June 16, 1947.*

Hon. CLYDE M. REED,
Senate Office Building,
Washington, D. C.

I understand charges have been made during course of debate on Reed-Bulwinkle bill, S. 110, that shipper support reflects railroad

influence and domination rather than real sentiment of shippers. Such a charge has no semblance of truth and is a palpable absurdity. As president of the National Industrial Traffic League, representing 350,000 shippers, large and small, from all sections of the United States, who ship perhaps 80 percent of all tonnage moving in the United States, I know shippers of this country are virtually unanimous in favor of the bill. It is wholly unrealistic to imagine we would be influenced in such a matter by views of the railroads. In my memory there has never been a measure affecting transportation which has had such unanimity of support from all interests concerned with transportation. The hearings demonstrate this fact beyond dispute. In addition to shippers, Interstate Commerce Commission, Office of Defense Transportation, State railroad commissions, and other State governmental bodies, as well as truck, bus, inland waterway carriers, and intercoastal shipping interests appeared at hearings and testified vigorously in support of the measure. I hope none of the statements made during debate will mislead any Senator with respect to interests or position of the shippers of this country. They wish to see this bill promptly enacted into law.

ALONZO BENNETT,
President, the National Industrial Traffic League.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. REED. I will yield to the Senator from Louisiana.

Mr. OVERTON. The junior Senator from Georgia has submitted an amendment, with which, of course, the Senator is familiar, the effect of which, if enacted, will be that enactment of the pending bill will not affect a decision by the United States Supreme Court in the Georgia case. There are two questions I should like to ask the able Senator; first, would the pending bill, if enacted into law, affect the ruling of the Supreme Court in the Georgia case?

Mr. REED. The Senator from Michigan and the Senator from Connecticut are to discuss later that particular matter, I think. My own understanding is that passage of the pending bill would not affect the jurisdiction of the Supreme Court over the Georgia case. I have offered, to the Senator from Georgia [Mr. RUSSELL], to accept paragraph (a), the first part of his amendment. If the Senator from Louisiana was not present when the unanimous consent agreement was entered into—and I do not think he was——

Mr. OVERTON. I was not.

Mr. REED. I am glad to advise him that 5 minutes are allowed to each side to discuss the amendments when that point is reached. We are now debating the bill itself, but there will be 5 minutes on each side to discuss the amendments which have been offered.

Mr. OVERTON. I thank the Senator.

Mr. RUSSELL. Mr. President, I inquire how much time remains to the opponents of the pending bill?

The PRESIDING OFFICER. There remain 17 minutes.

Mr. RUSSELL. Mr. President, I would yield 8 minutes to the Senator from Florida [Mr. PEPPER] and I would yield the remaining 9 minutes to the Senator from Wyoming [Mr. O'MAHONEY].

Mr. PEPPER. Mr. President, on the 14th day of June 1938, I made certain remarks in the Senate upon the question of a fair system of freight rates for the United States as a whole, and the removal of the discriminatory freight-rate barrier against the South. I had introduced previously Senate Resolution 296, and in my remarks on June 14, 1938, at page 9180, I stated the purpose of that resolution to be:

That the Interstate Commerce Commission, which has already been dealing with this general subject for a long time, be requested by the Senate to make a study of this problem of interterritorial freight-rate differences and inequalities, and report back to the Senate at the beginning of the next session with respect to any plan it may be able to conceive of which will eliminate these inequalities and these inequities, so that all the producers of the same commodity will compete for the same market upon the same transportation equality.

In those remarks, at page 9179, I said:

Mr. President, the Senate has just approved a conference report which for the first time commits the United States to the policy of a uniform minimum wage for the whole country, and for all phases of each industry, as soon as that minimum standard may be feasibly reached and accomplished.

The conference report and the national policy now, therefore, commit us to reaching that universal minimum as soon as it may be reached without doing injustice to any part of an industry or to any section of the country.

We can never reach equality in ability to meet one another in competition, for the market of a given product, so long as there are in this country inequalities in freight rates such as those which now exist, which penalize nearly four-fifths of the whole country.

Then I said:

I wonder if Senators are aware of the fact that Mr. Joseph B. Eastman, speaking in a report in 1934 (S. Doc. 110), said this about that subject:

"An objectionable phase of the railroad situation for many years has been the maintenance of regional differences and distinctions which are very imperfectly related to differences in cost and to territorial boundary lines, Chinese walls where rate systems and practices change."

Then I said:

Mr. President, this wage-and-hour bill has committed us to the policy of paying, wherever possible, the same minimum wage in Atlanta, Ga., in Dallas, Tex., or in New York City, for the same work; and we cannot be expected to meet that requirement if the producers of the South and the West and the far West, in order to get to the great markets of this country, have to overcome a Chinese wall in the form of a discriminatory freight-rate structure.

That appeared, Mr. President, in the RECORD of 1938, under date of June 14. Subsequent to that time, the Interstate Commerce Commission, under the principles laid down by the Congress in the Transportation Act of 1940, has promulgated decisions which have led to a measure of relief from the burden under which the South has previously labored, with respect to discriminatory freight rates. The Supreme Court of the United States in the Georgia case has laid down salutary principles of law, protecting unfavored regions of the country against the discriminations of the past.

Mr. President, I oppose the pending bill, not because I lack confidence in the Interstate Commerce Commission, for I have confidence in that body, in the integrity and the high purpose of its membership. But, Mr. President, because the pending bill, if enacted into law, would retard the progress of the program under which the South and the West at long last are becoming emancipated from the economic servitude of the past. I oppose this bill because, Mr. President, when monopoly is at an all-time peak in America, it is no time to strengthen or to risk strengthening monopoly. That is what the pending bill does, Mr. President. The bill would exempt the railroads from prosecution under the antitrust laws even if they violated the antitrust laws. What the bill does, Mr. President, is to give certain corporations a permit to commit economic crimes. I see no reason why the railroads or other carriers should be set aside in a class unto themselves. We deny the right of price-fixing to the lumber industry, to the steel industry, and to other service industries; therefore, Mr. President, it is not proper that that privilege should be awarded to the transportation industry. I am regardful of what the railroads have contributed to the strength, to the greatness, to the power of this country, I honor them, we want to see them continue to grow; but, Mr. President, they have grown to their present strength, America has reached its present power, under the law of the present; which the pending bill proposes to change.

I know of no circumstances, Mr. President, to justify the Congress in wrapping the cloak of immunity around the railroads of America and others engaged in the transportation business, so that by the process of rate fixing, which might be called price fixing, they may strangle the economy of America or any part of it.

Those who favor the bill say they believe in private enterprise. Let them practice private enterprise. If competition is the life of trade in our general commerce, it is the life of trade in the transportation industry. We all know that competition has made our transportation system the greatest transportation facility in the world. We know that there is no substitute for incentive; that there is no equivalent for the ambition to excel one's competitor. But, Mr. President, if the public carriers are permitted to form and combine against the public, if they are permitted to conspire together to remove transportation competition, there will be no incentive to improve or to provide a better service or a cheaper rate to the public; there will be no ambition to lead one's competitors.

Therefore, Mr. President, because the bill would hurt my South and my country; because it would strengthen the hands of monopoly; because it singles out a single class and gives that class an immunity from the laws to which other business enterprises are liable, I believe it to be discriminatory legislation contrary to the public interest, and I hope that it shall not have the sanction of the Senate.

The PRESIDING OFFICER. The Senator from Wyoming [Mr. O'MAHONEY] is recognized for 9 minutes.

Mr. O'MAHONEY. Mr. President, I listened with a good deal of interest to

the statement made by the Senator from Kansas, in charge of the bill, and I thought there was displayed in it the same mistake which it seems to me is made by practically all the sponsors of the bill. The Senator from Kansas said, if I understood him correctly, that the purpose of the bill is to enable the railroads to continue the work they have been doing for 40 years through rate bureaus, conferences, and committees. If that were the fact, this would be a very different question from what it is. The bill is not limited to that. The bill goes much further, because it grants the consent of Congress to the creation of organizations and associations of a kind which do not exist today.

We have, Mr. President, for example, the Association of American Railroads. That is a voluntary, unofficial organization, created by the railroads of the United States by their own will. It has adopted its own rules and regulations, so to speak, for the administration of the functions it performs. It has adopted its own charter. But the association has no official existence. It is not an agency of Government. It is not an agency clothed by the Congress with any power. But under the bill it would become possible for it to become an agency of the Government of the United States.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. RUSSELL. Moreover, there is the very vital fact that it is responsible only to its stockholders and not to the people of the United States.

Mr. O'MAHONEY. The Senator from Georgia is quite right. But the language of the bill is so broad that it would be possible to form a new association which could be called the Association of American Railroads, of American Pipelines, of American Motor Carriers, and of American Water Carriers, and such an association, under the terms of the bill, would be authorized to set up a private government for the entire transportation industry of America, and any agreement it made would have to be approved by the Interstate Commerce Commission, unless the agreement fell within certain narrow prohibitions mentioned in the bill. My point, Mr. President, is that it is absolutely impossible for any human mind to comprehend the combinations and permutations that would be possible once we grant the authority. So when we grant the authority we must be very careful.

I have no objection to the establishment of the rate bureaus where conferences may be held among the carriers to determine what the rates may be; but I want the Members of the Senate to realize perfectly what would be legalized under the bill even beyond the matter of the creation of associations and organizations. Let me give an example. There is in my State a great railroad known as the Union Pacific Railroad, which has performed great service to the people of the West, and without which the great West could not have been opened. I have the greatest admiration for what has been done by the men who operated that railroad in the past. But under this bill it would be expressly possible for the Union Pacific Railroad to enter into an agreement by which it would be bound to maintain a rate between Cheyenne, the capital of my State, and Evanston, a town all the way across the State at the extreme western end, which would be the same or have a definite relationship with a rate on the same commodity maintained by the Pennsylvania Railroad between Philadelphia and Pittsburgh.

Mr. REED. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. REED. But both rates, to be effective, would have to have the approval of the Interstate Commerce Commission.

Mr. O'MAHONEY. Of course. There is no doubt about that. But we are now proposing by this bill to grant to the railroads the power to form the organizations by which that sort of thing could be compelled. I have talked the matter over with representatives of the American Association of Railroads, and it was explained to me: "Why, of course, a thing of that kind has got to be done." Take the case of salt. Salt, I was told, is shipped from Louisiana to Chicago. Salt is shipped from Michigan to Chicago. It is shipped from other places to Chicago. Therefore, the argument went, it is essential that railroads operating in different areas should have the right to agree upon the rates to be enforced in these totally different territories, areas and regions, and it would be possible, therefore, for railroads in one section of the country to enforce a rate upon a railroad in another section of the country, and maintain the differential of which the Senator from Kentucky [Mr. BARKLEY] spoke earlier today when he pointed out so eloquently and forcefully that all during his adult life he has been living upon the southern bank of the Ohio River, and has seen a differential effected by the railroads which has granted a preference to the industries which were established upon the north bank of the river.

Mr. HILL. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. HILL. Does not the record show that the Interstate Commerce Commission can and does consider not more than 2 percent of these rates?

Mr. O'MAHONEY. Of course, it cannot consider any large percentage. The great bulk of rates must be agreed to by the railroads themselves. But here we are granting to new organizations and new associations an authority which is mandatory upon the Interstate Commerce Commission.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. McMAHON. The Senator stated that only 2 percent of the rates would be examined by the Interstate Commerce Commission. How many does he think would be looked into by the Department of Justice?

Mr. O'MAHONEY. I have never indulged in speculation in that connection. I doubt whether it would be even one-tenth of one percent of what the Interstate Commerce Commission examines.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. O'MAHONEY. Mr. President, has all time on the bill expired? Will the Senator from Kansas yield to me?

Mr. REED. Mr. President, I think the time of the opponents has expired.

I yield myself 2 minutes in order to answer the Senator from Wyoming, and then I shall yield to the Senator from Connecticut [Mr. McMAHON].

The Senator from Wyoming mentioned salt rates as an example of how discrimination might occur. I participated in the biggest salt-rate case that was ever brought, the Salt Rate Case of 1923. Chicago is the great commercial salt market. Kansas shipped salt into Chicago, or would have shipped salt except for a high-freight rate. Louisiana ships salt; Ohio and New York ship salt; Michigan ships salt. So far as the railroads maintaining a discriminatory-rate structure are concerned, which barred Kansas from the Chicago market, the Interstate Commerce Commission fixed rates from Michigan to Chicago, from Ohio to Chicago, from Kansas City to Chicago, and from Louisiana to Chicago, with a fair relationship, all things considered, each to the other.

The Senator argues from an entirely false premise, or from no premise at all, when he uses such an illustration to attempt to show how discrimination might result.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me for half a minute?

Mr. REED. I yield 1 minute to the Senator from Wyoming to make reply.

Mr. O'MAHONEY. The Senator is very kind.

I was leading up to a statement when time caught up with me. That statement was that I have submitted a number of amendments which I have discussed with the Senator from Kansas. I believe that some of them are acceptable to him. They will go far toward abolishing the possibility of discrimination, an abuse which I fear is inherent in the bill.

Mr. REED. Mr. President, I repeat what I have said before. The Senator from Wyoming has made a most intelligent approach to this question. He has submitted a number of amendments. I went over them thoroughly yesterday. Last night I had printed a form of the bill showing some of the amendments submitted by the Senator from Wyoming, which I will accept. That print has been or will be distributed. I shall take time when we come to consider the amendments.

I now yield to the Senator from Connecticut [Mr. McMAHON].

Mr. McMAHON. Mr. President, the allegation has been made that it is only the railroads who are interested in the bill. I hold in my hand a telegram which arrived this morning, addressed to me. It is similar to dozens of others which I have received. It reads as follows:

NEW BRITAIN, CONN., *June 18, 1947.*
Senator BRIEN MCMAHON,
Senate Office Building,
Washington, D. C.:

I understand charges have been made during course of debate on Reed-Bulwinkle bill

(S. 110) that shippers support reflects railroad influence and combination rather than real sentiment of shippers. This is not true. We as shippers would like very much to see this bill enacted into law. Urge your support.

STANLEY WORKS,
J. M. STUART.

Mr. President, what I wish to say will not consume very much time. The Reed-Bulwinkle bill looks to the future. It applies to agreements which may in the future be submitted to the Interstate Commerce Commission for its approval. Agreements which are thus approved by the Commission may not thereafter be made the subject of prosecution by the Department of Justice. But before such agreements may acquire that status they must in the Commission's judgment measure up to certain standards which are prescribed in the bill.

What standards must be complied with before any agreement made by the railroads can be approved?

First, the agreement must not unduly restrain competition.

Second, the agreement must not curb the free and unrestricted right of every party to the agreement to act contrary to and independently of any decision of any group reached under the agreement.

Third, the object of the agreement must be appropriate for the proper performance of transportation service to the public.

Fourth, the agreement must promote the national transportation policy which has been established—by whom? By the railroads? By the Supreme Court? By the Department of Justice? By the Congress of the United States?

If the Commission finds that the agreements entered into comply with the tests which I have suggested, and if they are in conformity with those standards, then the agreements may not be attacked by the Department of Justice. Having had some experience with questions of this kind, I say that the reasonableness of rates cannot be settled before a jury in a criminal case, or on the hustings, or anywhere else except before the Interstate Commerce Commission.

Congress has created the Interstate Commerce Commission for one express purpose, and that is to regulate the transportation agencies which are the subject of the pending bill. All the bill does is to apply the regulatory power already entrusted to the Commission. The Commission is charged by Congress with the duty of enforcing the national transportation policy as Congress has declared it. To discharge that duty, the Commission has been given specific powers of regulation. In enacting this bill, Congress simply reinforces and strengthens those powers by extending them to agreements among the transportation agencies already subject to the Commission's regulation.

This is not an interference with the continued prosecution of the pending suit of the State of Georgia, and the case pending in the court at Lincoln, Nebr. The bill would not in any way prevent the courts in those suits from going ahead and making a final decision as to whether the past conduct charged in those suits was actually committed and, if committed, whether it was in violation of existing law. All the bill does is to do what Congress may properly do and should do—to declare the national policy for the future and to establish standards to guide the agency delegated by Congress to administer that policy.

The State of Georgia alleges discrimination and coercion. Discrimination will still be forbidden if the Reed-Bulwinkle bill becomes law. Coercion will likewise be forbidden. There seems to be running through the thread of this debate the idea that the bill would permit the railroads of the country to get together and, under cloak of law, coerce their competitors, their shippers, and their customers. Such a right is not granted by the bill.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. WHERRY. I should like to ask the distinguished Senator from Connecticut a question in connection with the third provision which he mentioned. A point was raised which was of very much interest to me, and that is, if I correctly interpreted the remarks of the distinguished Senator, there would be no impairment of service through any arrangement or agreement which might be made, even by one railroad, unless it had the authority or the sanction of the Interstate Commerce Commission.

Mr. McMAHON. That is correct. Furthermore, I will say to the Senator that there was one railroad witness who appeared before the committee and who opposed this bill. I cross-examined him and went through every section of the bill one by one. If the Senator will turn to Mr. Purcell's testimony—he is vice president of the C. & O. Railway—the Senator will find the statement in his testimony that it is impossible to operate the railroads of the United States as a national transportation system without conferences between the railroads as to rates, schedules, safety measures, and other matters which must be considered if the railroads are to operate as a unified system.

Mr. WHERRY. I thank the Senator. To me that is one of the salient points of the whole debate; that is, as to impairment of service. It is one thing to have a rate, but it is another thing for the railroads to furnish the service. As I read the testimony and the statements I gathered the same impression as that covered by the interpretation placed upon it by the distinguished Senator from Connecticut. I certainly would not want to be misinterpreting it, because I feel that even though the Interstate Commerce Commission has the final say, there should not be curtailment of service by any act of Congress. I think that point should be made very clear to the Members of the Senate. I understand it exactly as does the Senator from Connecticut. I say it is a salient point. We should have no impairment of service, even though the rates should be considered.

Mr. REED. Mr. President, I yield 8 minutes to the Senator from Oklahoma.

Mr. MOORE. Mr. President, for the past several days the argument has been made by those opposing Senate bill 110 that the bill is an effort to prevent an arm of the Government from enforcing the law and that it will promote and protect a monopoly in the operation of the railroads.

If the Department of Justice is to be an issue in this matter, I suggest that it should be remembered that since the original Court-packing proposal there has been carried on a most carefully planned program of the Justice Department to reduce the Federal judiciary to the control and domination of the Executive branch of Government. For 14 years the Federal district judges have been carefully selected with special emphasis upon their so-called liberal philosophy. As a result, there are few Federal judicial districts in which the Department of Justice may not find a sympathetic judge before whom it can try out its theories of a controlled economy.

Thus, in considering this legislation, we are faced with the simple issue of whether the Congress desires to abandon the railroads to the Department of Justice whose record during the past 14 years has been one of out-and-out business persecution, or, shall we delegate to the Interstate Commerce Commission the necessary authority to regulate and control this supremely important public utility service?

To leave the railroads at the mercy of the Department of Justice is to place this interstate activity in the hands of the Executive branch of Government and beyond the control of the Congress. On the other hand, if we delegate this regulatory function to the Interstate Commerce Commission, it will retain in Congress its exclusive constitutional prerogative to regulate interstate commerce.

The Interstate Commerce Commission is one of the oldest agencies of Government, having been established by congressional action more than 60 years ago. It is a bipartisan Commission. It has performed its duties in an acceptable and satisfactory manner. Its operations are circumscribed within those powers expressly delegated to it under the laws enacted by the Congress. This bill provides, in affirmative terms, that no order of the Commission shall be entered except after all interested parties, including the Attorney General of the United States, shall have been afforded an opportunity for a hearing. I insist there is not the slightest ground for the argument that the enforcement of the antitrust laws or any other law applicable to the operation of railroads will be impaired by this legislation. The Attorney General is free to complain to the Commission of any action taken under approved agreements, and, under other sections of the Interstate Commerce Act, to appeal from any ruling of the Commission or prosecute the violation of any order of the Commission that may result in monopolistic practices.

No one opposing the bill has attempted to explain how rates and schedules affecting rail shipments that move over the lines of interconnecting carriers can be established except by some sort of an agreement of the participating carriers. There is no other method by which it can be done. The shippers are cognizant of this fact. Representatives of literally

thousands of shippers have been before the Interstate and Foreign Commerce Committees of the House and Senate to explain this simple fact. Certainly, these agreements must be regulated and controlled and even supervised, but it is the constitutional function of the Congress to do so, and not some other branch of the Government. The Interstate Commerce Commission has been set up for such express purposes.

No one with the slightest conception of the complexities of railroad ratemaking can seriously argue that a speedy and adequate method of promulgating through freight rates by joint carriers is not absolutely necesary to the efficient operation of the railroads. The regulation and control of such public function by the Congress is a necessary attribute of the regulation of interstate commerce which is the exclusive constitutional prerogative of the Congress and not of the executive or the judiciary.

I want to emphasize again the certainty that if this legislation is not enacted, the Justice Department will, in fact, actually take over the physical operation of the railroads. Many important key industries are already being operated by the young theorists of the Justice Department under consent decrees which have been obtained by the most flagrant coercion and because the managers of business were afraid of the kind of justice that might be meted out by the judicial philosophy that presently obtains in most of our courts, if they dared defend against the Department's charges. The consent decrees under which all interstate transportation of crude oil is carried on is a good example of how this system works. Every detail of operations of this important industry is subject to control and direction of the Department. At intervals of twice each year the management of every interstate oil pipe line in the United States must appear before the Antitrust Division of the Department and lay before it every item of operation in the most minute detail, and, if not in complete accord with the ideas of the "economist-lawyers" of the Department, the pipe lines are required to revamp and adjust their operations in line with the departmental theories. These operations are carried on under continually expressed threats of contempt proceedings. As many Members of the Senate know, this same fate has befallen other large segments of our national industrial economy, such as the meat packing industry and many others. The action now pending at Lincoln, Nebr., against the western railroads, is for the sole purpose of eventually bringing those roads under a consent decree by which the Department of Justice may take from the Congress the constitutional authority to regulate their operations.

Mr. President, I urge upon the Senate the propriety of this amendment to the Interstate Commerce Act as a constitutional obligation of the Congress to regulate commerce. I trust we shall assume that obligation.

Mr. REED. Mr. President, I yield 10 minutes to the Senator from Michigan.

Mr. FERGUSON. Mr. President, I want to speak briefly with relation to the proposed amendment offered by the Senator from Georgia [Mr. RUSSELL] to this bill. I want to speak specifically on subdivisions (b) and (c) of that amendment.

First. Subsection (a) would merely provide that the enactment of the bill into law would not deprive the Supreme Court of jurisdiction to hear and determine the case of Georgia against the Pennsylvania Railroad Company et al., Docket No. 11, original, October 10, 1945, or any proceeding for the enforcement of the provisions of any decree entered in that suit. As I read that provision, it would allow the Supreme Court to hear the case, enter a decree, and enforce its decree, and the bill, if enacted into law, would in no way affect the decision or the enforcement of any decree. However, I would be concerned with the next paragraph of the amendment. It would provide that the enactment of the section of the original bill upon which we are now working would not—

(b) change any principle of substantive or procedural law otherwise applicable in the determination of such suit or proceeding, or deprive any party thereto of any relief to which such party would be entitled but for the enactment of this section; or—

The next paragraph must be read in conjunction with paragraph (b). It is paragraph (c):

(c) render lawful the performance of any past or future act which shall have been found by the Supreme Court in such suit or proceeding to be unlawful or which shall have been prohibited by the terms of any decree entered therein or any supplement thereto or any modification thereof.

In other words, if we adopt the Russell amendment as a part of this measure, and if in the case now pending before the Supreme Court, the Court were to hold contrary to what it is proposed that we now make the law, all that we enact would be absolutely void, and would be no act at all.

Therefore, I think it is clear that if we adopt paragraphs (b) and (c) as part and parcel of this measure, in effect we would nullify the entire act insofar as it would conflict with anything the Supreme Court could, under the pleadings, decide in the case now pending before it.

So, as I see this matter, if it is the desire of the Congress in any way to change the present law, we could not do so by including this amendment as a part of the act.

Accordingly, Mr. President, I shall be compelled to vote against this amendment—not because of the first paragraph, paragraph (a), which states that the enactment of the section shall not deprive the Supreme Court of jurisdiction, but because of the inclusion of paragraphs (b) and (c). With paragraphs (b) and (c) included, I certainly would be compelled to vote against the amendment, because then it would nullify all that is intended to be done by the pending bill.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. RUSSELL. In other words, the Senator from Michigan would be willing to have the Supreme Court determine what right the State of Georgia had, but he would have the Congress deny it any remedy whatever.

Mr. FERGUSON. No; I think that is provided for in the first paragraph which relates to enforcement.

Mr. RUSSELL. I cannot see that at all. That is tied in with the provision that it will not deprive the Supreme Court of jurisdiction. But under the terms of the bill, the State of Georgia would be denied any remedy whatever, even though the Court had jurisdiction. The second and third paragraphs of the amendment are necessary if we are to protect the rights of the States. Those paragraphs read as follows:

(11) The enactment of this section shall not—

(b) change any principle of substantive or procedural law otherwise applicable in the determination of such suit or proceeding, or deprive any party thereto of any relief to which such party would be entitled but for the enactment of this section; or

(c) render lawful the performance of any past or future act which shall have been found by the Supreme Court in such suit or proceeding to be unlawful or which shall have been prohibited by the terms of any decree entered therein or any supplement thereto or any modification thereof.

Mr. FERGUSON. Mr. President, if the Senator from Georgia is referring only to the Georgia case——

Mr. RUSSELL. That is all it applies to.

Mr. FERGUSON. If it was part and parcel of the Georgia case, I would not say there was anything wrong with the amendment. But when we come to paragraph (c), we find that it makes all such matters lawful even though they have previously been found unlawful by the Supreme Court in connection with the Georgia suit; but that provision of the amendment would not apply to any other litigant.

Mr. RUSSELL. Oh, no.

Mr. FERGUSON. That is the way I read the amendment.

Mr. RUSSELL. That is not the intent of the amendment. Its intent is made crystal clear in paragraph (c), which states: "render lawful the performance of any past or future act which shall have been found by the Supreme Court"—please note the words—"in such suit or proceeding"—applying to the Georgia case in the Supreme Court——

Mr. FERGUSON. If the amendment is only for the purpose of applying to the Georgia litigation, that is one thing; but as I read the amendment, it would be applicable, not only to the Georgia litigants, but also to all litigants in the future, insofar as the particular law is concerned.

Mr. RUSSELL. That is not the intention of the amendment, and I do not think that would be its effect. The amendment is designed solely and exclusively to protect the rights of the sovereign State of Georgia in a case which now is pending in the Supreme Court of the United States. I think any construction of the amendment which would give it any other power or force is without validity.

Mr. FERGUSON. Then would the Senator from Georgia be willing to add these words:

Insofar as it relates to the plaintiff and the defendant in the Georgia case.

Mr. RUSSELL. On page 2, in line 2, after the word "party", I should be perfectly willing to add the words "to such suit" and to strike out the word "thereto", so as to make that provision read, "or deprive any party to such suit of any relief", and so forth. I should be glad to modify the amendment in that way.

Mr. FERGUSON. Would the Senator add the same words in paragraph (c)?

Mr. RUSSELL. In line 7, the amendment states "in such suit or proceeding." That does not apply to any litigation other than the Georgia case.

Mr. FERGUSON. Would the Senator from Georgia be willing to insert, after the word "proceeding," in line 7, the words "insofar as it relates to the parties to that suit"?

Mr. RUSSELL. I think that would be redundant. As thus modified, it would read:

In such suit or proceeding insofar as it relates to the parties to such suit.

But I have no objection to the addition of those words.

Mr. FERGUSON. Very well. If that addition is made, the meaning is clear to me.

Mr. RUSSELL. I have no objection to the addition of that language.

The PRESIDENT pro tempore. The Senator from Kansas has 2 minutes at his disposal.

Mr. REED. Mr. President, I wish to make it clear that this bill establishes no precedent. The Interstate Commerce Act has been in evolution ever since it was passed in 1887. In the beginning, the Interstate Commerce Commission had almost no power. From time to time the law has been amended, and it now includes the present section 5, of which the pending bill will be a part, as section 5a.

We have already done for the shipping industry, by means of the Shipping Act of 1916, what we propose to do in this case for the railroads. Ocean-vessel operators may make, between themselves, agreements relating to rates and services; and when they are approved by the Shipping Board, that renders those carriers immune from the operation of the antitrust laws insofar as those agreements are concerned.

Similar action was taken in 1938 for the airplane companies; they were permitted to make agreements not contrary to the public interest; and, when approved by the Civil Aeronautics Board, those agreements become lawful; and, as to them, that renders those companies free from interference by the antitrust laws.

The PRESIDENT pro tempore. The time of the Senator from Kansas has expired. All time has expired.

The question is on agreeing to the first committee amendment, which will be stated.

The first amendment of the Committee on Interstate and Foreign Commerce was, on page 3, line 12, after the word "to" where it occurs the second time, to insert "freight classifications or to."

The amendment was agreed to.

The next amendment was, on page 4, line 6, after the word "the", to insert "initial"; and in the same line, after the word "determination", to insert "or report, or any subsequent determination or report."

The amendment was agreed to.

The next amendment was, on page 6, line 14, after the words "antitrust laws", to strike out the following proviso: *"Provided, however,* That this paragraph shall not apply to agreements, or parts thereof, dealing with matters over which the Commission has no jurisdiction", and in lieu thereof to insert the following: *"Provided,* That the approval by the Commission of any agreement concerning, or providing rules or regulations pertaining to or procedures for the consideration, initiation, or establishment of, time schedules, the interchange of facilities, the settlement of claims, the promotion of safety, or the promotion of adequacy, economy, or efficiency of operation or service shall not be deemed to be approval of any subsequent modification or amendment thereof or of any supplemental or other agreement made pursuant to any provision contained in the original approved agreement: *And provided further,* That the approval by the Commission of any agreement providing procedures for the consideration, initiation, or establishment of time schedules, the interchange of facilities, the settlement of claims, the promotion of safety, or the promotion of adequacy, economy, or efficiency of operation or service shall not be deemed to be approval of any joint or concerted action taken pursuant to any provision of such agreements."

The amendment was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments. The bill is open to further amendment.

Mr. O'MAHONEY. Mr. President, I laid before the Senate several amendments 2 days ago, which were printed. The Senator from Kansas [Mr. REED] and I have had several conferences with respect to the amendments. He has accepted some of the amendments. Others he has modified in a slight degree, and I think that those which have been thus agreed to between himself and the proponent of the amendments may be disposed of rather rapidly.

The Senator from Kansas has had a print of the bill, containing the amendments to which he has agreed and those which he has modified, distributed to all Members of the Senate. If it is agreeable, I shall present them verbatim.

Mr. President, I now offer the amendment which I had printed and which is lying on the desk, to be inserted on page 2, line 15.

Mr. REED. Mr. President, to make the record clear, what the Senator from Wyoming is speaking of is the last print of the bill?

Mr. O'MAHONEY. No; I am referring to the print which is before the Senate, not the print the Senator from Kansas has had made. I will say to the Senator that the amendment which I offer appears on page 2, line 18, of his print. It is on line 15 of the bill which was reported by the committee.

Mr. REED. Mr. President, I think we could simplify this somewhat if there were laid before the Senate the last print that was made entitled, in bold-faced type, "Amendments proposed by Mr. REED." They are a part of the O'Mahoney amendments, which, as the Senator in charge of the bill, I am willing to accept.

Mr. O'MAHONEY. Then I think I can expedite the whole matter if I discuss briefly, within 5 minutes, all the amendments which the Senator has agreed to accept, and those which he has modified, and then I shall seek to offer them as a whole.

The PRESIDENT pro tempore. If the Senator will offer the amendment, then the Chair will be able to administer the unanimous consent agreement. Otherwise, he cannot.

Mr. O'MAHONEY. Very well. On page 2, line 15, of the bill as reported by the committee, which would be line 18 of the print offered by the Senator from Kansas, I offer an amendment, after the word "finds" to add the words "after public notice in the Federal Register and public hearing not less than 60 days thereafter."

The PRESIDENT pro tempore. The Senator from Wyoming is recognized for 5 minutes.

Mr. O'MAHONEY. I offer the amendment without discussion, provided the Senator from Kansas will accept it.

Mr. REED. I accept the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wyoming.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, on page 2, line 18, of the bill as reported by the committee, I offer an amendment, to insert after the word "agreement" the words "is not unjustly discriminatory among shippers or geographical areas."

Mr. HILL. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Alabama.

Mr. HILL. I wonder if the Senator would object to changing the amendment, instead of the word "among" to have it read "as between."

Mr. O'MAHONEY. I have no objection.

Mr. HILL. And after the word "geographical" insert the words "regions or."

Mr. O'MAHONEY. The Senator from Alabama has suggested a modification, so that the amendment which I offer will read as follows, after the word "agreement" to insert the words, "is not unjustly discriminatory as between shippers or geographical regions or areas, that it." I understand the Senator from Kansas agrees to that amendment.

The PRESIDENT pro tempore. Without objection, the amendment will be modified as stated, and the question is on agreeing to the amendment as modified.

The amendment as modified was agreed to.

Mr. O'MAHONEY. Mr. President, on page 3, line 5, after the word "submit" I move to insert the words "to the Commission."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. O'MAHONEY. On page 3, line 8, the Senator from Kansas has offered an amendment which varies from the one I have offered, but which I am very willing to accept in lieu thereof. Therefore I move that a new sentence be added after the word "representatives" to read as follows:

No bank or other financial institution shall be a member of any such conference, bureau, committee, or other organization.

Mr. REED. I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, on page 3, lines 12 and 13, of the bill as reported by the committee, which will be page 3, lines 20 and 21, of the bill as printed at the request of the Senator from Kansas [Mr. REED], I offer an amendment to strike out the words "matters relating to", the words "transportation under", and the word "over."

Mr. REED. And to insert.

Mr. O'MAHONEY. The committee amendments have been agreed to.

Mr. REED. I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, on page 4, line 17, of the bill as reported by the committee, after the word "by", I move that the words "any carrier by" be inserted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, on page 6, line 6, of the bill as reported by the committee, page 6, lines 12 and 13 of the print offered by the Senator from Kansas [Mr. REED], after the name "United States" I move to insert the words "and interested State regulatory commissions or other authorities."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. REED. Mr. President, there is one amendment which should be inserted on page 7 at the end of paragraph (9). The word "agreements" should be changed to "agreement."

The PRESIDENT pro tempore. Without objection, the change is made.

Mr. REED. Mr. President, I serve notice that that is the end of the agreement between the Senator from Wyoming and myself.

NO PRIVATE GOVERNMENT SHOULD BE PERMITTED

Mr. O'MAHONEY. Mr. President, I was about to say that myself. To my way of thinking, the most important of the amendments——

The PRESIDENT pro tempore. Will the Senator offer his amendment?

Mr. O'MAHONEY. On page 2, line 25, immediately following the word "paragraph," I move to insert the following new sentence:

No such agreement for the establishment of any association or organization composed of two or more carriers, or prescribing rules, regulations, or procedures for its consideration or any of the subjects hereinbefore specified, shall be approved by the Commission unless such agreement shall first have been submitted to and approved by the Congress by joint resolution.

The PRESIDENT pro tempore. That is the language shown on line 11, page 3, of the reprint. Is the Chair correct?

Mr. O'MAHONEY. Of my reprint, not of the reprint of the Senator from Kansas.

The PRESIDENT pro tempore. The Senator is correct.

Mr. O'MAHONEY. Mr. President, with respect to this amendment I think the Senator from Kansas has been under the misapprehension that the effect of the amendment would be to transfer to Congress the responsibility of handling the great detail of rate making. It was not intended to do that, and I think under the language I have presented it would not do it.

The purpose, and the sole purpose, of the amendment is to provide that, if the carriers, acting under the authority of the proposed legislation, should form organizations to govern the transportation industry, those organizations could not be approved by the Interstate Commerce Commission, but should be approved by the Congress of the United States. This has nothing in the world to do with the fixing of the rates nor with the ordinary functioning of the rate increase. It is a recognition of the fact——

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. I think certain of the Senators are somewhat confused about the unanimous-consent agreement. I should like very much to have the President pro tempore read at least paragraph 2 of the unanimous-consent agreement, which, as I understand, provides that the Senator offering an amendment shall have 5 minutes, and the Senator opposing it shall also have 5 minutes.

The PRESIDENT pro tempore. The Senator has stated the agreement correctly.

Mr. O'MAHONEY. Now, Mr. President, as I say, the purpose of the amendment is to provide that the Congress of the United States shall be advised, if the carriers undertake under this law to form organizations and associations, and to provide rules and regulations for the conduct of those associations and organizations. That is all the amendment does. It takes no power from the Interstate Commerce Commission; it takes no power from the freight bureaus, the conferences, and the committees which are proposed to be set up here. It merely recognizes the fact, Mr. President, that in the transportation system there has grown up a great tendency to create trade associations, which undertake to control and direct the activities of their members. Congress cannot run the risk of authorizing the establishment of a private government for the entire transportation system of the country.

My point is that if a trade association is to be formed among railroad carriers, or among pipe-line carriers, or among water carriers or motor carriers, or among them all, such an association, which would inevitably have the power of influencing the rates and every other aspect of the transportation system of the country, must come to Congress before it may secure any power.

The Senator from Kentucky pointed out very eloquently today that under the system which has grown up the railroads have enforced a differential in favor of States on the north bank of the Ohio, and against States on the south bank of the Ohio, the effect of which is that the railroads themselves have levied interstate tariffs, although the Constitution of the United States prohibits the States from doing so. So we have the anomalous situation, that corporations which are created by the States are doing things which the States by the Constitution are prohibited from doing. So I urge the adoption of this amendment, because, without it, we shall be delegating away the power of Congress over the transportation system of the United States. This I conceive to be the most important and necessary amendment I have offered.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. REED. Mr. President, the proposition of the Senator from Wyoming is to require a joint resolution by Congress, before an association of two or more railroads may be set up and function. If Senators want to do that, they are advised not to pass the pending bill. If a joint resolution of Congress is to be required before the association can function, there is no use in passing the pending bill. Nobody who is sincerely in favor of the bill and the thing for which it stands—an attempt to bring rate bureaus and rate conferences under regulation—can for a moment accept the amendment. That is all I need say.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Wyoming [Mr. O'MAHONEY].

The amendment was rejected.

Mr. RUSSELL. Mr. President, I offer an amendment which has been printed heretofore, and which has subsequently been modified.

The PRESIDENT pro tempore. The Senator from Georgia offers an amendment, which the Clerk will state.

The LEGISLATIVE CLERK. On page 7, immediately following line 17, it is proposed to insert the following new paragraph:

(11) The enactment of this section shall not—

(a) deprive the Supreme Court of jurisdiction to hear and determine the case of Georgia versus Pennsylvania Railroad Co., et al. Docket No. 11 (original), October term, 1945, or any proceeding for the enforcement of the provisions of any decree entered in such suit;

(b) change any principle of substantive or procedural law otherwise applicable in the determination of such suit or proceeding, or deprive any party to such suit of any relief

to which such party would be entitled but for the enactment of this section; or

(c) render lawful the performance of any past or future act which shall have been found by the Supreme Court in such suit or proceeding as it relates to the parties to such suit to be unlawful or which shall have been prohibited by the terms of any decree entered therein or any supplement thereto or any modification thereof.

Mr. RUSSELL. Mr. President, I think that every Senator who has spoken in favor of the pending bill has stated that it in nowise impinges upon the rights of the State of Georgia, in the litigation which is pending in the Supreme Court at the present time. Senator after Senator has stated it was not his intention to in anywise affect the rights of the State, in the suit that is now pending. I assume there is no objection whatever to this amendment, particularly in view of the modifications made at the suggestion of the Senator from Michigan [Mr. FERGUSON]. I reserve the balance of my time thereon.

The PRESIDENT pro tempore. The question is on agreeing to the amendment, as modified, offered by the Senator from Georgia.

The amendment, as modified, was agreed to.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. TAYLOR. Mr. President, I send to the desk an amendment, and ask that it be read.

The PRESIDENT pro tempore. The Senator from Idaho offers an amendment, which the clerk will read.

The LEGISLATIVE CLERK. On page 6, line 17, immediately following "Provided,", it is proposed to insert the following: "That nothing contained in this section shall exempt any agreement, conference, or joint or concerted action from the operation of the antitrust laws so as to deny to any person or corporation who shall be injured in his or its business or property by any other person or corporation by reason of anything forbidden or declared to be unlawful by the antitrust laws of the right to sue for and recover damages as provided in the antitrust laws: *And provided.*"

Mr. TAYLOR. Mr. President, the purpose of this amendment is to reserve to private persons who are aggrieved or damaged by combinations and restraints of trade the right of action for triple damages which they now enjoy under the antitrust laws.

It is said by the proponents of Senate bill 110 that the bill is necessary to save railroads from the annoyance of bureaucratic interference by the Antitrust Division. They say that shippers and small railroads support the bill because they want railroads to be free from the annoying surveillance of the Justice Department.

If this is their purpose—if their purpose is merely to free the railroads from this bureaucratic interference and annoyance—if it is truly their desire not to impinge upon the rights of shippers and small railroads, then let them write into this bill a safeguard which will reserve to all private persons, to shippers, to small railroads all of the rights that they formerly had. Let the bill be purely a restriction upon Government activity, and let it retain the great private sanction of triple-damage suits.

I therefore propose that we amend the bill by reserving the private remedies for parties aggrieved by violations of the antitrust laws. My amendment merely provides that the right to sue for triple damages will continue to exist as heretofore. It will not interfere with the making of agreements. It will not interfere with the new power of the Interstate Commerce Commission to declare that agreements are in the public interest. But it will provide one small avenue to court review of agreements approved by the Interstate Commerce Commission under the Bulwinkle bill.

In my judgment, one of the great harms which this bill accomplishes is that it will practically destroy the power of the courts to review determinations of the ICC as to whether or not agreements are in restraint of trade. The Antitrust Division never had the power to make determinations; it could merely go to court to test its theory. But the ICC will make determinations which will often affect shippers adversely, and in some cases no one will be able to take them to court. We all know that the ICC has in recent years become the supine instrument of the railroad carriers.

Shippers need some protection, and while the protection afforded by my method is rather slight, it seems to me at least that much protection should be afforded. It will give shippers an opportunity to enforce the antitrust laws at their own expense. As history has shown us, the private-damage provision is a very poor substitute for enforcement by the staff of the Justice Department. It is a slender reed, but it is all that is left, and I beseech my colleagues not to take away from the shipper this last, small protection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. TAYLOR].

Mr. REED. Mr. President, the amendment is an impossible one. What we are trying to do by the bill is to permit the railroads in certain respects to operate without interference by the antitrust law. What the amendment seeks to do is to put the railroads back to the extent of—I do not really know what it seeks to do, but I know it should not be adopted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. TAYLOR].

The amendment was rejected.

Mr. TAYLOR. Mr. President, I offer another amendment. I shall not ask to have it read, as it is somewhat lengthy. I may say that it was originally prepared by former Senator Wheeler of Montana for the purpose of setting up an over-all Government bureau to negotiate rates for all Government bureaus with the railroads.

As I pointed out earlier in the debate on this bill, in a speech that was heard largely by empty seats, the railroads are in a very bad position to be coming around to ask for special favors from the Government.

During the war the Government paid out millions—indeed billions, by the estimate of the Justice Department—in overpayments to railroads. That represents the amount that the railroads have overcharged the Government on freight rates for wartime traffic. During the last war when the Army and the Navy transacted business with the railroads, many of its key negotiators were wearing Army or Navy uniforms but they were exemployees of the railroads. Since the war, they have returned to the railroads, at substantial promotions. In other words, they were negotiating freight rates with their former and future employers. It was all very clubby and congenial—what are a few dollars between friends—especially when Uncle Sam is footing the bill? Last August, I dug up a very thorough Budget Bureau report which said: "The Government has not only paid excessive charges in a stupendous amount before and since Pearl Harbor, but it is still paying such excess charges on presently moving traffic."

I made those charges public last August and I have hounded the Government departments to recover these railroad overcharges from that day to this, and I do not expect to stop until the Government recovers every cent wrongfully expended. It took a long time to stir up the brass hats in the War and Navy Departments, but they have finally agreed to let the Attorney General take action to recover these funds. The Justice Department estimates that the amount will run to $2,000,000,000. Let me give an illustration of the kind of overcharges that are involved.

One of the cases now pending involves crated automobiles. The railroads applied a rate of approximately 70 cents on boxed automobiles for export from Detroit to New Orleans. The Government, in order to conserve lumber and manpower decided to crate those vehicles, leaving out every other board on the box. The railroads immediately required a payment of approximately twice the rate for boxed automobiles. The Government came back and said there is nothing just or reasonable about that because there is no additional burden on the railroad, no additional expense for transporting crated automobiles rather than boxed automobiles. For a period of approximately 18 months that exorbitant double rate was applied to the crated automobiles. At the end of the 18 months the railroads acknowledged the justness of the Government's contention by publishing a new rate on crated vehicles identical to the rate on boxed vehicles. But they still have not paid back the amount they overcharged for 18 months.

There is another case where the Government was deprived of the land grant deductions to which it was entitled, from June 3, 1941, to October 1, 1946, on certain roads. This little oversight deprived the United States of America of approximately $1,000,000,000 a year in land grant benefits, the Justice Department says. I want the Government to recover these sums. I will not rest until it does recover them. But let me warn the Senate that is an uphill fight because the railroad lobby is one of the most powerful in Washington. Right now they are hard at work trying to get Congress to cut off

the suits by eliminating the appropriation for a legal staff to prosecute them. That is an ironic touch—tossing away a $2,000,000,000 claim on the pretext of economy. It reveals what some of these fellows mean by economy—everything for the big boys, nothing for the people.

The PRESIDENT pro tempore. The time of the Senator from Idaho has expired. If the Senator will send forward his amendment it will be printed in the RECORD at this point.

The amendment offered by Mr. TAYLOR was as follows:

On page 1, between lines 2 and 3, to insert the following:

"TITLE I—INTERSTATE COMMERCE ACT AMENDMENT"

On page 1, line 3, to strike out "That the," and insert in lieu thereof "SEC. 1. The."

On page 7, immediately following line 17, to insert the following:

"TITLE II—ESTABLISHMENT OF FEDERAL TRAFFIC BUREAU

"SEC. 201. This title may be cited as the 'Federal Traffic Bureau Act.'

"DEFINITIONS

"SEC. 202. As used in this title unless the context otherwise requires—

"(1) the term 'United States' means the United States Government or any officer, department, or agency thereof (including a corporation all or substantially all of whose capital stock is owned or held by or for the United States);

"(2) the term 'carrier' means any transportation agency subject to regulation under any part of the Interstate Commerce Act, as amended; or under the Civil Aeronautics Act of 1938, as amended; the Merchant Marine Act of 1936, as amended; the Shipping Act of 1916, as amended; the Intercoastal Shipping Act of 1933, as amended;

"(3) the term 'Administrative tribunal' means the Interstate Commerce Commission, the Civil Aeronautics Board, the Maritime Commission, and any other administrative agency now or hereafter constituted with power to regulate the rates, charges, practices, rules, or regulations of carriers;

"(4) the term 'Government traffic' or 'Government shipment' means one or more shipments of property by any mode of transportation to, from, by, or for the account of, the United States;

"(5) the term 'tariff' means any tariff, schedule, or classification, and any revision, or amendment thereof, or supplement thereto filed by any carrier, with any administrative tribunal, naming or affecting rates, ratings, charges, classifications, rules, regulations, or practices for the transportation of property;

"(6) the term 'Bureau' means the Federal Traffic Bureau established under section 203; and

"(7) the term 'Director' means the Director of the Federal Traffic Bureau.

"SEC. 203. There is hereby established an agency of the United States to be designated as the Federal Traffic Bureau to which Bureau there are hereby transferred all of the powers, duties, and responsibilities, of all departments and agencies of the Government (including corporations all or substantially all of whose capital stock is owned or held by or for the United States), with respect to the following matters, which are hereby vested exclusively in said Bureau—

"(1) the negotiation and making of all contracts for the transportation of Government traffic;

"(2) the routing, diversion, or reconsignment of Government shipments;

"(3) the representation of the United States in all proceedings before administrative tribunals relating to matters within the jurisdiction of the Bureau: *Provided*, That nothing contained in this paragraph shall be construed to deprive the Attorney General of any right, power, or duty conferred or imposed by title I of this act;

"(4) the checking, auditing, revision, and verification of bills for transportation charges for Government shipments; and

"(5) the filing and prosecution of claims, actions, suits, or proceedings for recovery of overcharges or unreasonable charges for transportation of Government shipments, or for loss of, damage to, or delay in Government shipments.

"SEC. 204. (a) The Bureau shall be administered by a Director to be appointed by the President, by and with the advice and consent of the Senate, who shall serve during good behavior and shall receive an annual salary of $12,000. The Director shall be a citizen of the United States and, during his term of office, shall have no pecuniary interest in or own any stock or bonds of any carrier or any person, firm, or corporation owning or controlling any carrier.

"(b) The Director shall, without regard to the civil-service laws, appoint and prescribe the duties of a general counsel, such assistant directors as may be necessary, a secretary for the Director, a secretary for such general counsel, and assistant Directors, and a secretary for each of such. Subject to the provisions of the civil-service laws, the Director shall appoint, and shall prescribe the duties of such other officers and employees as he shall deem necessary in exercising and performing his powers and duties. The compensation of all officers and employees appointed by the Director shall be fixed in accordance with the Classification Act of 1923, as amended.

"(c) The Director may, from time to time, without regard to the provisions of the civil-service laws, engage for temporary service such duly qualified experts, consulting engineers or agencies, or other qualified persons, as are necessary in the exercise or performance of the powers and duties vested in him, and shall fix their compensation without regard to the Classification Act of 1923, as amended.

"(d) Within 60 days after the appointment and qualification of the Director, every officer, department, and agency of the Government (including a corporation all or substantially all of whose capital stock is owned or held by or for the United States), heretofore exercising or performing any of the powers, duties, and responsibilities transferred by this title to the Bureau, shall list upon forms to be prescribed by the Director, all officers and employees in such department, agency, or corporation, and all property, including office equipment and official records, employed in the exercise and performance of the aforesaid powers and duties, and thereafter there shall be transferred from such reporting department, agency, or corporation to the Bureau such of the officers, employees, property, including office equipment and official records, as shall be found by the President and specified by Executive order to be necessary for the efficient and prompt performance of the powers and duties of the Bureau as herein vested.

"SEC. 205. The Bureau is authorized and directed continuously to investigate and ascertain the facilities, equipment, instrumentalities, routes, and services of all carriers with respect to the availability for utilization thereof for the transportation of Government shipments, and by general or special instructions or routing guides, shall supervise and direct the selection of the carrier or carriers and the route or routes for the transportation of all Government shipments, by all consignors thereof, subject to the following considerations to control in the order named:

"(1) The quality of the transportation service required for the particular type or class of Government shipment involved.

"(2) The over-all cost of the transportation to the Government, including incidental and accessorial expenses as well as transportation charges paid the carrier.

"(3) The fair, impartial, and equitable distribution among all modes of transportation and all carriers in accordance with their respective carrier capacities.

"SEC. 206. It shall be the duty of the Bureau continuously to investigate the justness and reasonableness of all present and proposed tariffs insofar as they shall relate to or concern, directly or indirectly, any actual or potential Government traffic and to negotiate and contract with any such carrier: (1) For any change in any tariff; (2) for the establishment, for such period of time as may be agreed upon, of other just and reasonable tariffs for the transportation of Government traffic; and (3) as to the form, terms, and conditions of, and rules and regulations relating to, bills of lading and other billing papers or transportation documents covering or peraining to the transportation of Government traffic.

"SEC. 207. The Bureau, as the sole representative of the United States, shall be empowered to institute, or to intervene or participate in, any formal or informal proceeding relating to any matter within the jurisdiction of the Bureau, before any administrative tribunal, and to make such representations and introduce such evidence therein as the Bureau shall deem to be proper and necessary, and to file any petition or complaint with any such administrative tribunal as the Bureau shall deem proper or necessary in the interest of the United States.

"SEC. 208. The Bureau shall receive, audit, check, and verify all bills against the United States for the transportation of Government shipments and shall certify the correctness of such charges in writing upon the face thereof and such certification shall be final and binding upon all executive and administrative officers of the United States except as the same thereafter may be amended, corrected, or set aside by the Director, by any court, or by any competent administrative or other governmental tribunal.

"SEC. 209. The Director may, from time to time, in his discretion, establish regional, local, departmental, or agency branch offices, and may delegate and assign to such offices such powers, duties, and responsibilities as he shall determine; but in every such case, the officers and employees of such branch offices shall be subject to and report to the Director, insofar as their duties relate to the exercise of such powers, duties, and responsibilities.

"SEC. 210. (a) The Director is authorized and empowered to sue, for and in behalf of the United States, in any court or before any competent tribunal, for the recovery of any unlawful, unjust, or unreasonable charge theretofore paid by the United States for the transportation of Government ships, and for damages resulting from loss, injury, or delay thereto, or for the enforcement or for the breach of any contract relating to such charge or such transportation.

"(b) Any carrier is authorized to sue the Director, as the representative of the United States, in any district court of the United States in which district such carrier maintains a principal office or in which the Bureau maintains a principal or branch office for all unpaid charges for the transportation of Government shipments, or to enforce, or for the breach of, any contract made pursuant to this title with said Bureau.

"(c) It shall be the duty of any district attorney of the United States, under the direction of the Attorney General of the United States, upon application of the Director, to institute or defend any action, suit, or proceeding described in this section, except proceedings before an administrative tribunal.

"(d) All actions and suits against the Director under the provisions of subsection (b) shall be begun within 2 years from the

date the cause of action accrued, or within 2 years from the date of enactment of this act, whichever date is the later.

"SEC. 211. On or before the 3d day of January of each calendar year, the Director shall transmit to the Congress a report containing information with respect to all activities of the Bureau during the preceding calendar year and such information and data as may be considered of value in the determination of questions connected with the transportation of Government shipments together with such recommendations as to additional legislation relating thereto as the Director may deem necessary."

Amend the title so as to read: "A bill to amend the Interstate Commerce Act with respect to certain agreements among carriers, to establish a Federal Traffic Bureau, and for other purposes."

Mr. REED. Mr. President, I yield 1 minute to the Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, I asked the Senator from Kansas to yield time to me simply to request unanimous consent to have printed in the RECORD a telegram to me from M. B. Holifield, assistant attorney general of Kentucky, who has represented Kentucky in that capacity for many years, and who is interested in the freight-rates case in which Kentucky is interested. In the telegram he urges and prays for passage of the bill now pending.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

FRANKFORT, KY., *June 16, 1947.*

Hon. JOHN SHERMAN COOPER,
Senate Office Building:

Rail carriers must enter into agreement with respect to rates, fares, charges, classification of commodities, allowance-time schedules, routes, and interchange of facilities. In these technical matters I have the same confidence in the Interstate Commerce Commission that I have in the Supreme Court. As a Member of the Senate I would vote for S. 110, calendar No. 40, Report No. 44. Time is essence of those agreements. Commerce should not be obstructed or delayed by unnecessary litigation.

M. B. HOLIFIELD,
Assistant Attorney General for Kentucky Railroad Commission.

Mr. REED. Mr. President, I understood that the Senator from Idaho offered an amendment for consideration.

The PRESIDENT pro tempore. The Senator from Idaho offered an amendment, which he suggested he would orally describe, and which could be printed in the RECORD in view of being fully presented. It has been ordered to be printed in the RECORD and is the pending amendment.

Mr. REED. Of course, it is impossible even to consider an amendment of the kind proposed by the Senator from Idaho.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Idaho.

The amendment was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDENT pro tempore. The question is on the passage of the bill.

Mr. REED. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BUCK. I have a pair with the junior Senator from New Hampshire [Mr. TOBEY]. If he were present and voting, I understand that he would vote "nay." If I were at liberty to vote I would vote "yea."

The roll call was concluded.

Mr. REED (after having voted in the affirmative). I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the Senator from Oregon [Mr. CORDON] and allow my vote to stand.

Mr. WHERRY. I announce that the Senator from Oregon [Mr. CORDON], who is absent by leave of the Senate, is paired with the Senator from New York [Mr. WAGNER]. The Senator from Oregon, if present and voting, would vote "yea" and the Senator from New York, if present and voting, would vote "nay."

The Senator from Massachusetts [Mr. LODGE], who is necessarily absent, is paired with the Senator from Utah [Mr. THOMAS]. The Senator from Massachusetts, if present and voting, would vote "yea," and the Senator from Utah, if present and voting, would vote "nay."

The Senator from South Dakota [Mr. BUSHFIELD], who is necessarily absent, is paired with the Senator from Oklahoma [Mr. THOMAS]. The Senator from South Dakota, if present and voting, would vote "yea," and the Senator from Oklahoma, if present and voting, would vote "nay."

Mr. LUCAS. The Senator from Utah [Mr. THOMAS], who is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland, is paired on this vote with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Massachusetts would vote "yea."

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Oregon [Mr. CORDON] has been previously announced by the Senator from Kansas. If present and voting, the Senator from New York would vote "nay" and the Senator from Oregon would vote "yea."

The Senator from Oklahoma [Mr. THOMAS], who is absent by leave of the Senate, is paired on this vote with the Senator from South Dakota [Mr. BUSHFIELD]. If present and voting, the Senator from Oklahoma would vote "nay" and the Senator from South Dakota would vote "yea."

The result was announced—yeas 60, nays 27, as follows:

YEAS—60

Baldwin	Cain	Ellender
Ball	Capehart	Ferguson
Brewster	Capper	Flanders
Bricker	Chavez	Gurney
Bridges	Cooper	Hawkes
Brooks	Donnell	Hickenlooper
Butler	Dworshak	Hoey
Byrd	Ecton	Holland
Ives	Martin	Smith
Jenner	Millikin	Taft
Johnson, Colo.	Moore	Thye
Kem	Myers	Tydings
Knowland	O'Conor	Vandenberg
McCarran	O'Daniel	Watkins
McCarthy	Overton	Wherry
McGrath	Reed	White
McKellar	Revercomb	Wiley
McMahon	Robertson, Va.	Williams
Magnuson	Robertson, Wyo.	Wilson
Malone	Saltonstall	Young

NAYS—27

Aiken	Hayden	Morse
Barkley	Hill	Murray
Connally	Johnston, S. C.	O'Mahoney
Downey	Kilgore	Pepper
Eastland	Langer	Russell
Fulbright	Lucas	Sparkman
George	McClellan	Stewart
Green	McFarland	Taylor
Hatch	Maybank	Umstead

NOT VOTING—8

Buck	Lodge	Tobey
Bushfield	Thomas, Okla.	Wagner
Cordon	Thomas, Utah	

So the bill (S. 110) was passed.

The bill as passed is as follows:

Be it enacted, etc., That the Interstate Commerce Act, as amended, is amended by adding after section 5 thereof a new section as follows:

"SEC. 5a. (1) For purposes of this section—

"(A) The term 'carrier' means any common carrier subject to part I, II, or III, and shall include any freight forwarder subject to part IV, of this act; and

"(B) The term 'antitrust laws' has the meaning assigned to such term in section 1 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914.

"(2) Any carrier, party to an agreement between or among two or more carriers concerning, or providing rules or regulations pertaining to or procedures for the consideration, initiation, or establishment, of rates, fares, charges (including charges as between carriers), classifications, divisions, allowances, time schedules, routes, the interchange of facilities, the settlement of claims, the promotion of safety, or the promotion of adequacy, economy, or efficiency of operation or service, may, under such rules and regulations as the Commission may prescribe, apply to the Commission for approval of the agreement, and the Commission shall by order approve any such agreement (if approval thereof is not prohibited by paragraph (4), (5), or (6)) if it finds after public notice in the Federal Register and public hearing not less than 60 days thereafter that the object of the agreement is appropriate for the proper performance by the carriers of service to the public, that the agreement is not unjustly discriminatory as between shippers or geographical regions or areas, that it will not unduly restrain competition, and that it is consistent with the public interest as declared by Congress in the national transportation policy set forth in this act; otherwise the application shall be denied. The approval of the Commission shall be granted only upon such terms and conditions as the Commission may prescribe as necessary to insure compliance with the standards above set forth in this paragraph.

"(3) Each conference, bureau, committee, or other organization established or continued pursuant to any agreement approved by the Commission under the provisions of this section shall maintain such accounts, records, files, and memoranda and shall submit to the Commission such reports as may be prescribed by the Commission, and all such accounts, records, files, and memoranda shall be subject to inspection by the Commission or its duly authorized representatives. No bank or other financial institution shall be a member of any such

conference, bureau, committee, or other organization.

"(4) The Commission shall not approve under this section any agreement between or among carriers of different classes unless it finds that such agreement is limited to freight classifications or to joint rates or through routes; and for purposes of this paragraph carriers by railroad, express companies, and sleeping-car companies are carriers of one class; pipe-line companies are carriers of one class; carriers by motor vehicle are carriers of one class; carriers by water are carriers of one class; and freight forwarders are of another class.

"(5) The Commission shall not approve under this section any agreement which it finds is an agreement for a pooling, division, consolidation, merger, purchase, lease, acquisition, or other transaction, to which section 5 of this act is applicable.

"(6) The Commission shall not approve under this section any agreement which establishes a procedure for the determination of any matter through joint consideration unless it finds or by condition requires that under the agreement there is or shall be accorded to each party the free and unrestrained right to act contrary to and independently of the initial determination or report, or any subsequent determination or report, arrived at through such procedure, and unless it finds or by condition requires that all carriers of the same class (as defined in paragraph (4) of this section) within the territorial and organizational scope of such agreement shall be eligible to become and remain parties to the agreement upon application and payment of charges applicable to other parties of the same class. Nothing in this section and no approval of any agreement by the Commission under this section shall be so construed as in any manner to remove from the purview of the antitrust laws any restraint upon the right of independent action by any carrier by means of boycott, duress, or intimidation.

"(7) The Commission is authorized, upon complaint or upon its own initiative without complaint, to investigate and determine whether any agreement previously approved by it under this section, or terms and conditions upon which such approval was granted, is not or are not in conformity with the standards set forth in paragraph (2), or whether any such terms and conditions are not necessary for purposes of conformity with such standards, and, after such investigation, the Commission shall by order terminate or modify its approval of such agreement if it finds such action necessary to insure conformity with such standards, and shall modify the terms and conditions upon which such approval was granted and may impose additional terms and conditions to the extent it finds necessary to insure conformity with such standards or to the extent to which it finds such terms and conditions not necessary to insure such conformity. Any person, including the Attorney General of the United States, may make complaint to the Commission of any action taken under or pursuant to an agreement theretofore approved by the Commission, and the Commission, upon such complaint or upon its own initiative, shall after hearing determined whether any such action is in conformity with such agreement and with the terms of the approval thereof by the Commission and is consistent with the standards above set forth and whether its approval of the agreement should be modified or terminated or additional terms or conditions be prescribed with respect to the particular action complained of. The effective date of any order terminating or modifying approval, or modifying terms and conditions, or prescribing terms or conditions, shall be postponed for such period as the Commission determines to be reasonably necessary to avoid undue hardship.

"(8) No order shall be entered under this section except after interested parties (including in all cases the Attorney General of the United States and interested State regulatory commissions or other authorities) have been afforded reasonable oportunity for hearing.

"(9) No agreement approved by the Commission under this section, and no conference or joint or concerted action pursuant to and in conformity with such agreement as the same may be conditioned by the Commission, shall be deemed to be a contract, combination, conspiracy, or monopoly in restraint of trade or commerce within the meaning of the antitrust laws: *Provided*, That the approval by the Commission of any agreement concerning, or providing rules or regulations pertaining to or procedures for the consideration, initiation, or establishment of, time schedules, the interchange of facilities, the settlement of claims, the promotion of safety, or the promotion of adequacy, economy, or efficiency of operation or service shall not be deemed to be approval of any subsequent modification or amendment thereof or of any supplemental or other agreement made pursuant to any provision contained in the original approved agreement: *And provided further*, That the approval by the Commission of any agreement providing procedures for the consideration, initiation, or establishment of time schedules, the interchange of facilities, the settlement of claims, the promotion of safety, or the promotion of adequacy, economy, or efficiency of operation or service shall not be deemed to be approval of any joint or concerted action taken pursuant to any provision of such agreement.

"(10) Any action of the Commission under this section in approving an agreement, or in denying an application for such approval, or in terminating or modifying its approval of an agreement, or in prescribing the terms and conditions upon which its approval is to be granted, or in modifying such terms and conditions, shall be construed as having effect solely with reference to the applicability of the provisions of paragraph (9)."

"(11) The enactment of this section shall not—

"(a) deprive the Supreme Court of jurisdiction to hear and determine the case of Georgia versus Pennsylvania Railroad Co., et al. docket No. 11 (original), October term, 1945, or any proceeding for the enforcement of the provisions of any decree entered in such suit;

"(b) change any principle of substantive or procedural law otherwise applicable in the determination of such suit or proceeding, or deprive any party to such suit of any relief to which such party would be entitled but for the enactment of this section; or

"(c) render lawful the performance of any past or future act which shall have been found by the Supreme Court in such suit or proceeding as it relates to the parties to such suit to be unlawful or which shall have been prohibited by the terms of any decree entered therein or any supplement thereto or any modification thereof."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 50. An act for the relief of Joseph Ochrimowski;

S. 317. An act for the relief of Robert B. Jones;

S. 361. An act for the relief of Alva R. Moore;

S. 423. An act for the relief of John B. Barton;

S. 425. An act for the relief of Col. Frank R. Loyd;

S. 470. An act for the relief of John H. Gradwell;

S. 514. An act for the relief of the legal guardian of Sylvia De Cicco;

S. 561. An act for the relief of Robert C. Birkes;

S. 620. An act for the relief of Mrs. Ida Elma Franklin;

S. 824. An act for the relief of Marion O. Cassady; and

S. 882. An act for the relief of A. A. Pelletier and P. C. Silk.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 18, 1947, he presented to the President of the United States the following enrolled bills:

S. 50. An act for the relief of Joseph Ochrimowski;

S. 317. An act for the relief of Robert B. Jones;

S. 361. An act for the relief of Alva R. Moore;

S. 423. An act for the relief of John B. Barton;

S. 425. An act for the relief of Col. Frank R. Loyd;

S. 470. An act for the relief of John H. Gradwell;

S. 514. An act for the relief of the legal guardian of Sylvia De Cicco;

S. 561. An act for the relief of Robert C. Birkes;

S. 620. An act for the relief of Mrs. Ida Elma Franklin;

S. 824. An act for the relief of Marion O. Cassady; and

S. 882. An act for the relief of A. A. Pelletier and P. C. Silk.

PRICE-SUPPORT PROGRAM FOR WOOL—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 814) to provide support for wool, and for other purposes.

Mr. BARKLEY. Mr. President, I wish to address the Senate briefly in opposition to the conference report. So far as I am concerned, consideration of the conference report may go over until tomorrow. However, if there is insistence on voting upon it tonight, I should like to make a few remarks regarding it. I desire to say to the Senator from Vermont that several Senators wish to discuss the conference report, and it seems to me obvious that we cannot conclude it this evening. I wonder if the Senate at this hour wants to resume consideration of it. I say in good faith to the Senator that we cannot conclude debate this afternoon without holding a very late session, because there are two or three Senators who desire to discuss it and who are not ready this afternoon to do so. There is no purpose to delay a vote. It is a bona fide discussion of the conference report. Personally, I should prefer to wait until tomorrow, but I am ready to go on now if necessary.

Mr. AIKEN. If the Senator will yield, I will say that I do not happen to know of anyone, other than the Senator from Kentucky, who wants to speak on the conference report, but I do not question that there may be others.

Mr. BARKLEY. The Senator from Pennsylvania [Mr. MYERS] wishes to dis-

cuss it, as does also the Senator from Maryland [Mr. TYDINGS], who has been called from the Chamber by important public business and is unable to be here any further today. There may be other Senators. I know of those two.

Mr. AIKEN. Mr. President, I wonder if it would not be a good idea to go on as long as the leadership of the Senate thinks it advisable to proceed tonight, and we will save that much time tomorrow. I hope we can get a determination as soon as possible of whether there will be a wool support price. There has been no support price since the 15th of April, although legally there should be one until the 30th of June. However, the Department of Agriculture did not see fit—and I think it acted wisely—to start a new support-price program for this year until it could ascertain whether it could continue it. In the meantime, it is my understanding that buyers are taking advantage of the smaller wool growers of the country. The conference report will either be approved or disapproved by the Senate. The sooner we find it out, the better. If it is approved, the bill will be sent to the President; and if he signs it, the sooner we find it out, the better. If he sees fit to veto it, I will say there is a very remote possibility that some other legislation might be proposed to support the price of wool, although I think that its chance of enactment at this time is very remote. But if any legislation at all is to be enacted to take effect by the 1st of July, when the act completely expires, we shall have to get it through as soon as we can. Personally, I doubt if any further legislation would be enacted in the event of a veto, but I do think we should get a determination as soon as we can. It seems to me that if we proceed for a while longer tonight, we will save that much time tomorrow.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Virginia.

Mr. ROBERTSON of Virginia. Mr. President, I wish to submit a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. ROBERTSON of Virginia. In the event the Senate votes down the conference report, will a motion then be in order that the Senate insist on its objections to the House amendments and ask for a further conference on its own bill?

The PRESIDENT pro tempore. In response to the Senator's inquiry, the Chair will say that if and when the present conference report is rejected, a motion will be in order requesting the House for a further conference and providing that the Chair shall appoint conferees. If that motion is agreed to by the Senate it is then in order to instruct the conferees.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BARKLEY. In a moment I will yield.

As I said a while ago, I have no desire and neither has any other Senator any desire, unduly, to delay a vote on this matter; but in view of the lateness of the hour and the fact that there are four Senators who want to address themselves to the conference report, it is obvious that we cannot finish it tonight. It is agreeable to me to vote at any time tomorrow that the Senate is willing to fix, provided a sufficient time is allowed for legitimate discussion. Assuming that the Senate shall meet at 12 o'clock I would suggest that a vote be taken at 3 o'clock tomorrow afternoon. I think that 3 hours would be sufficient time to discuss the conference report.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Nebraska.

Mr. WHERRY. Is the Senator offering that as a suggestion?

Mr. BARKLEY. I am offering it as a suggestion, but I am willing to propound it as a unanimous-consent request.

Mr. WHERRY. Would it be agreeable to the distinguished Senator if we vote at 2 o'clock and divide the time——

Mr. BARKLEY. No; it would not.

Mr. WHERRY. If we convene at 11 o'clock?

Mr. BARKLEY. I hope we will not meet at 11. Tomorrow is Thursday, and there will be some committee meetings.

Mr. WHERRY. Would the Senator be willing to divide the time between 1 o'clock and 3 o'clock?

Mr. BARKLEY. Yes.

Mr. WHERRY. I understand that was a suggestion?

Mr. BARKLEY. I was offering it as a suggestion, yes. I am willing to make it a unanimous-consent request.

Mr. WHERRY. If it is made as a request I suggest to the able Senator from Kentucky that the time between the hours of 1 and 3 o'clock be equally divided between the proponents and the opponents of the measure.

Mr. BARKLEY. So that anyone getting the floor at 12 could occupy it until 1?

The PRESIDENT pro tempore. Will the Senator state the unanimous-consent request?

Mr. BARKLEY. Mr. President, I presume to make the unanimous-consent request, inasmuch as I made the suggestion, that at the hour of 3 o'clock tomorrow the Senate proceed to vote without further debate upon the conference report now pending.

Mr. WHERRY. Mr. President, reserving the right to object, would there be any objection to voting not later than 3 o'clock, in the event that we could vote upon the conference report before that?

Mr. BARKLEY. So far as I am concerned, there would not be. The difficulty is that Senators do not know whether the vote is to take place at 3 o'clock or at some hour before that when the debate may be exhausted. Therefore they would make their arrangements to be here at 3 o'clock.

Mr. TAFT. I may suggest to the Senator that we also have the conference report on the rent-control bill, which certainly ought to be dealt with tomorrow. It may involve some debate. I would hope that we might perhaps meet a little earlier. If we make the hour at 3 o'clock we will have a repetition of the same thing we have had today.

Mr. BARKLEY. No; that could not happen; because the agreement on the so-called Bulwinkle bill did not preclude debate on amendments that were to be offered. That is why that bill took much more time. I will agree to 2:30 o'clock. I will modify the request by making it 2:30 instead of 3.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. I offer as a modification of the unanimous-consent request the suggestion that if we vote at 2:30 the time between 1 o'clock and 2:30 o'clock be equally divided. That would include all the time this side needs for discussion.

Mr. BARKLEY. That means that up until 1 o'clock any Senator can speak on anything. I think that if there is to be any control of the time it ought to begin when the Senate meets.

Mr. WHERRY. Yes.

The PRESIDENT pro tempore. The Chair can submit only one unanimous-consent request at a time.

Mr. BARKLEY. I will modify my own request, if the Senator will permit. It is that at 2:30 the Senate proceed to vote on the conference report and that the time from the assembling of the Senate tomorrow until that hour be equally divided between the proponents and opponents of the conference report, to be controlled respectively by the Senator from Vermont [Mr. AIKEN], and I will control the other half of it, unless some other Senator wants to.

The PRESIDENT pro tempore. Does the Senator include in his unanimous-consent request not only the disposition of the conference report, but of any motions?

Mr. BARKLEY. Any motion or proceedings relative thereto.

The PRESIDENT pro tempore. Is there objection to the unanimous consent request? The Chair hears none, and the order is made.

The unanimous-consent agreement, as entered into and as reduced to writing, is as follows:

Ordered, That on the calendar day of Thursday, June 19, 1947, at the hour of 2:30 p. m., the Senate proceed to vote, without further debate, upon the question of agreeing to the conference report on the bill (S. 814) to provide support for wool, and for other purposes, or upon any motion relating thereto.

Ordered further, That the time intervening between the meeting of the Senate on said day and the hour of 2:30 o'clock p. m. be divided equally between the proponents and the opponents of the bill, to be controlled, respectively, by the Senator from Vermont [Mr. AIKEN] and the Senator from Kentucky [Mr. BARKLEY].

ORDER OF BUSINESS

Mr. WHERRY. Mr. President, I now propose that after the wool bill has been disposed of tomorrow at 2:30 o'clock the Senate proceed to the consideration of order No. 79, Senate bill 564, to provide for the performance of the duties of the office of President, in case of the removal, resignation, or inability both of the President and Vice President.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska that when the conference report on the wool bill is completed tomorrow afternoon, the Senate proceed to the consideration of Senate bill 564?

Mr. BARKLEY. Mr. President, I cannot consent to that request. Of course, the Senator from Nebraska can move to have the Presidential succession bill taken up, but I am not willing to agree by unanimous consent that that be done.

The PRESIDENT pro tempore. Objection is heard.

Mr. WHERRY. Mr. President, I appeal to the distinguished minority leader not to object. That bill could be made the order of business, and then could be laid aside while the Senate considered the other conference report which is ready. It seems to me that the Senator from Kentucky should not object to the request. The succession bill will have to be debated at some time.

Mr. BARKLEY. I do not agree to that; it does not have to be debated at any time. However, any Senator can move that it be taken up.

Mr. WHERRY. I have asked unanimous consent that the Presidential succession bill be taken up at that time. I could have made a motion to have it taken up then, and I could have made such a motion before agreeing to the unanimous-consent agreement just propounded by the distinguished Senator from Kentucky.

Mr. BARKLEY. I appreciate that.

Mr. WHERRY. In this case, there would be little difference between moving and asking unanimous consent in regard to when the Presidential succession bill would be taken up tomorrow. I would definitely agree that, if made the unfinished business, it could then be laid aside for consideration of the conference report on the rent-control bill.

Mr. BARKLEY. Mr. President, the Senator from Nebraska can state, of course, that at the conclusion of action on the two conference reports, he will move to have the Senate take up the succession bill

Mr. WHERRY. Mr. President, I am aware of the privileges I have. I simply am asking the Senator from Kentucky not to oppose the unanimous-consent request; and then Senators can be advised when the measure will be taken up.

Mr. BARKLEY. I am sorry I cannot accommodate the Senator from Nebraska. But I take the liberty of suggesting to Senators that, following action on the conference reports tomorrow, the Senator from Nebraska will move to have the Senate take up the Presidential succession bill.

The PRESIDENT pro tempore. Objection is made.

Mr. BARKLEY subsequently said: Mr. President, one of the reasons why I objected to the unanimous-consent request which was made a while ago by the Senator from Nebraska was that probably it will take all day tomorrow for us to conclude action on the two conference reports which now are at the desk. That would mean that we would not reach consideration of the succession bill until Friday. I assume there will be no session on Saturday. I am very much interested in the discussion of the so-called succession bill. I am opposed to it. I am compelled to be away from the Senate on Monday and Tuesday of next week. It seemed to me that inasmuch as probably we would not conclude action on that bill on Friday, it might work an inconvenience on the Senate to have it made the unfinished business and then have it laid aside every day or two, for several days, so that other matters might be considered.

However, if the Senator from Nebraska wishes to do it and if he is willing to take the chances on that, with the understanding that the bill may be laid aside if the circumstances justify doing so, I shall relent and shall withdraw my objection.

Mr. WHERRY. Mr. President, I thank the distinguished minority leader for his consideration.

I now renew the request on the basis of the statement of the minority leader.

Mr. TAFT. Mr. President, do I correctly understand that the request is that the succession bill be made the unfinished business as soon as action is concluded on the conference report on the wool bill, and that then the succession bill will be laid aside in order to permit the Senate to take up the conference report on the rent-control bill?

Mr. WHERRY. That is correct.

The PRESIDENT pro tempore. The present unanimous-consent request, as understood by the Chair, is that the succession bill, Senate bill 564, Calendar No. 79, be made the unfinished business at the conclusion of consideration of the conference report on the wool bill; and that thereupon the succession bill be laid aside, and the conference report on the rent-control bill be taken up.

Mr. WHERRY. Yes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

CONSIDERATION OF CERTAIN NOMINATIONS

Mr. WILEY. Mr. President, as in executive session, I ask unanimous consent that the Senate proceed to consider the nomination of Harold R. Medina, who has been nominated by the President to be United States district judge for the southern district of New York.

The PRESIDENT pro tempore. As the Chair understands, the Senator from Wisconsin moves that the Senate proceed to the consideration of executive business for the purpose of considering the nomination he has just identified.

Mr. GURNEY. Mr. President, reserving the right to object, I wish to call attention to the fact that the majority leader agreed last Friday to have the Senate take up the Army nominations, but inadvertently the confirmation of only the Regular Army nominations was requested, leaving the Senate in the position now of having confirmed the nominations in the Regular Army, but of having refused—as it did on Friday last—to confirm the nominations of officers in the Reserve Corps and in the National Guard.

Therefore, I wish that the Senator from Wisconsin would amend his request so as to include the Army nominations which appear on pages 6 and 7 of the Executive Calendar.

Mr. WILEY. I agree.

The PRESIDENT pro tempore. The Chair suggests that the request be that the Executive Calendar be considered.

What is the request of the Senator from Wisconsin?

Mr. WILEY. The request is as originally made and as amended in accordance with the suggestion of the Senator from South Dakota.

The PRESIDENT pro tempore. The Chair did not hear the Senator's request. Will he state it again?

Mr. WILEY. My request is that the Senate proceed, as in executive session—and I ask unanimous consent for that purpose—to take up and consider the Executive Calendar, except for the nomination of Joe B. Dooley.

The PRESIDENT pro tempore. Is there objection?

Mr. MAYBANK. I object.

Mr. GURNEY. Mr. President, through inadvertence on last Friday, during the consideration of the Executive Calendar, the nominations in the Reserve Corps and in the National Guard were passed over. That was due to an inadvertence in connection with a statement made at that time by the majority leader, with the result that only the nominations of Regular Army officers were confirmed.

Therefore, I now ask unanimous consent that, as in executive session, the Senate consider the nominations of Reserve Corps officers and National Guard officers, as listed in the Executive Calendar.

Mr. MAYBANK. I object. I have no objection to having the Senate confirm the nomination for district judge in the southern district of New York; and I believe that by all means the nominations of the Reserve Corps and National Guard officers should be confirmed. But I object for the reason that the Senate is not in executive session, and I should like to make a few remarks before the Senate goes into executive session.

Mr. GURNEY. Then, Mr. President, I amend my unanimous-consent request by now asking that the Senate proceed to consider executive business; and, if that request is agreed to, immediately after the Senate proceeds to consider executive business, I shall move that the Army nominations be confirmed.

The PRESIDENT pro tempore. Is there objection to the request?

TERMINAL-LEAVE PAYMENTS

Mr. MAYBANK. Mr. President, I object. I have only a few remarks to make. As I have said, I have no objection to having the Senate confirm the nomination for United States district judge for the southern district of New York, and I am certainly in hearty accord with the chairman of the Armed Forces Committee, the distinguished Senator from South Dakota, in stating that the nominations of the Reserve officers and National Guard officers should be confirmed. However, I wish to call the attention of the Senate to the fact that about a year ago, after the officers of the Army and the Navy had been paid their

terminal leave in cash, this body determined that the GI's, those who were lowest in rank in the armed forces, should be paid their terminal leave in bonds. So, Mr. President, the decision was that those men were to be paid their terminal leave in bonds, whereas the measure reported by the Military Affairs Committee and passed by the Senate provided that the officers be paid in cash. As justification for that action, it was stated that if the poor privates were paid in cash, the result would be to create inflation.

So, Mr. President, today I find, as a member of the Armed Forces Committee, after conferences with the Army, the Coast Guard, and the Marine Corps, that the present situation is that in the Coast Guard, 20,000 have not been paid their terminal leave, either in bonds or in anything else; in the Marine Corps, there are 136,994 who have not received their terminal-leave payment; in the Navy there are more than 700,000, a vast majority of whom are seamen, the others being officers. In the Army there are more than 2,000,000, of whom most are GI's, who have received no bonds which the Congress authorized, nor have they received any cash.

I am not condemning those who manage the armed forces. I realize that their appropriations have been cut to the bone. I realize that perhaps they cannot comply with the direction of Congress, but I merely suggest that there is a surplus, that there are certain moneys provided to retire certain bonds, that these bonds carry an interest rate of 2½ percent. I hope that before this session of Congress shall end the $2,800,000,000 in bonds, less what cash has been paid, will be redeemed for the benefit of the members of the armed forces who have terminal leave coming to them.

Mr. President, it cannot be inflationary; it cannot cost anything. We owe the money to the men; we passed the law; we printed the bonds bearing interest at 2½ percent. It causes detailed work beyond the imagination of man. It causes work on the part of hundreds of clerks to send the bonds to the GI's.

Many of these poor boys have no place in which to put the bonds, unless they rent lock boxes in the banks. So, considering the savings Congress will accomplish in the way of the 2½ percent interest payment, I appeal to Senators to make provision to redeem the bonds and pay the seamen and petty officers of the Navy and Coast Guard and the privates and noncommissioned officers of the Army in cash, as Congress said they should be paid, so that the Army, the Navy, the Coast Guard, and the Marines may not be required to keep volumes of books and records and the boys may not be compelled to hold bonds. Many of them have no place in which to keep the bonds. Some of the bonds might be lost, or destroyed in fires in homes in the country.

I hope the bill I have pending before the Armed Services Committee, to pay the members of the armed services their terminal leave in cash, will become law before Congress adjourns sine die.

EXECUTIVE SESSION

The PRESIDENT pro tempore. Is there objection to the request of the Senator from South Dakota [Mr. GURNEY] that the Senate proceed to the consideration of executive business for action on nominations on the Executive Calendar to which there is no objection?

There being no objection, the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing a nomination, which nominations were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. The clerk will proceed to state the nominations on the Executive Calendar.

DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

The legislative clerk read the nomination of Charles A. Robinson to be a member of the District of Columbia Redevelopment Land Agency.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

UNITED STATES MARSHAL

The legislative clerk read the nomination of Anton J. Lukaszewicz to be United States marshal for the eastern district of Wisconsin.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGE

The legislative clerk read the nomination of Harold R. Medina to be United States district judge for the southern district of New York.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

CALIFORNIA DEBRIS COMMISSION

The legislative clerk read the nomination of Col. Dwight F. Jones to be President of the California Debris Commission.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

UNITED STATES TAFIFF COMMISSION

The legislative clerk read the nomination of John Price Gregg to be a member of the United States Tariff Commission.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COAST AND GEODETIC SURVEY

The legislative clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

Without objection, the President will be notified immediately of all confirmations of today.

RECESS

Mr. WHERRY. Mr. President, if there is nothing further to come before the Senate at this time, I move that, as in legislative session, the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate, as in legislative session, took a recess until tomorrow, Thursday, June 19, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 18 (legislative day of April 21), 1947:

FEDERAL COMMUNICATIONS COMMISSION

Robert Franklin Jones, of Ohio, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1947.

COLLECTOR OF CUSTOMS

Nora M. Harris, of Connecticut, as collector of customs for customs collection district No. 6, with headquarters at Bridgeport, Conn., to fill an existing vacancy.

UNITED STATES ATTORNEY

Otto Kerner, Jr., of Illinois, to be United States attorney for the northern district of Illinois, vice J. Albert Woll, resigning upon the appointment and qualification of a successor.

IN THE ARMY

APPOINTMENTS IN THE OFFICERS' RESERVE CORPS OF THE ARMY OF THE UNITED STATES

To be brigadier generals

Brig. Gen Edward Courtney Bullock Danforth, Jr. (colonel, Infantry Reserve), Army of the United States.

Col. Ralph Gates Boyd, Judge Advocate General's Department Reserve, Army of the United States.

Col. Robert Wesley Colglazier, Jr., Staff and Administrative Reserve, Army of the United States.

Col. George Harris Cosby, Jr., Cavalry Reserve, Army of the United States.

Col. James Bell Cress, Corps of Engineers Reserve, Army of the United States.

Col. James Alexander Crothers, Transportation Corps Reserve, Army of the United States.

Col. Lloyd William Elliott, Army of the United States.

Col. John David Higgins, Infantry Reserve, Army of the United States.

Col. Russell Archibald Ramsey, Infantry Reserve, Army of the United States.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 18 (legislative day of April 21), 1947:

DIPLOMATIC AND FOREIGN SERVICE

TO BE A FOREIGN SERVICE OFFICER OF CLASS 4, A CONSUL, AND A SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Paul J. Sturm

TO BE FOREIGN SERVICE OFFICERS OF CLASS 6, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

William J. Barnsdale	John M. Howison
Charles E. Bidwell	Randall T. Klein, Jr.
Archer K. Blood	Steven Kline
Robert C. Bone, Jr.	David Morris
William H. Bruns	Edward W. Mulcahy
Robert A. Christopher	Thomas H. Murfin
Ralph G. Clark	David L. Osborn
Nathaniel Davis	Sandy MacGregor Pringle
Robert B. Dreessen	Thomas M. Recknagel
Herman F. Eilts	Edward G. Seidensticker, Jr.
Thomas R. Favell	Nicholas G. Thacher
E. Bruce Ferguson	Francis T. Underhill, Jr.
John W. Fisher	William H. Witt
William R. Gennert	
James W. Gould	
Jerome K. Holloway, Jr.	

TO BE A FOREIGN SERVICE OFFICER OF CLASS 1 AND A SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Hugh S. Cumming, Jr.

TO BE A FOREIGN SERVICE OFFICER OF CLASS 2 AND A SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

A. Cyril Crilley

TO BE A FOREIGN SERVICE OFFICER OF CLASS 3, A CONSUL, AND A SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Carlile Bolton-Smith

TO BE FOREIGN SERVICE OFFICERS OF CLASS 4, CONSULS, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Clyde L. Clark
Charles K. Ludewig

TO BE A FOREIGN SERVICE OFFICER OF CLASS 5, A VICE CONSUL OF CAREER, AND A SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Charles Philip Clock

TO BE FOREIGN SERVICE OFFICERS OF CLASS 6, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Robert G. Braden	Edward C. Ingraham, Jr.
William C. Canup	Richard G. Johnson
Harold E. Engle	David S. McMorris
Richard A. Ericson, Jr.	
Philip E. Haring	

UNITED STATES TARIFF COMMISSION

John Price Gregg to be a member of the United States Tariff Commission for the term expiring June 16, 1953.

CALIFORNIA DEBRIS COMMISSION

Col. Dwight F. Johns, Corps of Engineers, to be president of the California Debris Commission.

DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

Charles A. Robinson to be a member of the District of Columbia Redevelopment Land Agency for the unexpired term of 3 years from March 4, 1947.

UNITED STATES DISTRICT JUDGE

Harold R. Medina to be United States district judge for the southern district of New York.

UNITED STATES MARSHAL

Anton J. Lukaszewicz to be United States marshal for the eastern district of Wisconsin.

UNITED STATES PUBLIC HEALTH SERVICE

PROMOTIONS IN THE REGULAR CORPS

To be temporary senior surgeons (equivalent to Army rank of lieutenant colonel):

Hugh L. C. Wilkerson	William J. Brown
Daniel J. Daley	Luther L. Terry

To be temporary senior sanitary engineer (equivalent to Army rank of lieutenant colonel):

Maurice LeBosquet, Jr.

To be temporary senior scientists (equivalent to Army rank of lieutenant colonel):

Howard L. Andrews
G. Robert Coatney
Heinz Specht

To be temporary surgeons (equivalent to Army rank of major):

William L. Hewitt	George A. Shipman
Robert W. Rasor	Carruth J. Wagner

To be temporary sanitary engineers (equivalent to Army rank of major):

Frank Tetzlaff
Albert R. Stevenson

To be temporary senior surgeon (equivalent to Army rank of lieutenant colonel):

Kenneth W. Chapman

To be temporary senior sanitary engineer (equivalent to Army rank of lieutenant colonel):

Elmer J. Herringer

APPOINTMENTS AND PROMOTIONS IN THE REGULAR CORPS

To be assistant dental surgeons (equivalent to the Army rank of first lieutenant), effective date of oath of office:

Charles P. White
Richard P. French
Joseph W. Fridl

To be senior assistant dental surgeons (equivalent to the Army rank of captain), effective date of oath of office:

Thomas J. Riley, Jr.
Maurice Costello
Peter J. Coccaro

To be medical director (equivalent to the Army rank of colonel):

Henry A. Rasmussen

To be senior surgeons (equivalent to the Army rank of lieutenant colonel):

Samuel J. Hall
Richard B. Holt
Edgar W. Norris

To be temporary senior surgeon (equivalent to the Army rank of lieutenant colonel):

Marion B. Noyes

To be temporary surgeon (equivalent to the Army rank of major):

LeRoy R. Allen

To be medical director (equivalent to the Army rank of colonel), effective date of oath of office:

Henry C. Schumacher

To be surgeon (equivalent to the Army rank of major), effective date of oath of office:

Mabel L. Ross

To be nurse officer (equivalent to the Army rank of major), effective date of oath of office:

Margaret K. Schafer

APPOINTMENTS IN THE REGULAR CORPS

To be senior assistant scientists (equivalent to the Army rank of captain), effective date of oath of office:

Herbert A. Sober	William C. Frohne
Isadore Zipkin	Richard P. Dow
Frederick L. Stone	Roy F. Fritz
Milton Silverman	Ralph C. Barnes
Libero Ajello	Joseph Greenberg
Alan W. Donaldson	John H. Hughes
Louis J. Olivier	Harold B. Robinson
Harry J. Bennett	Elmer G. Berry

To be dental surgeon (equivalent to the Army rank of major), effective date of oath of office:

Robert M. Stephan

To be pharmacist (equivalent to the Army rank of major), effective date of oath of office:

George F. Archambault

To be assistant surgeons (equivalent to the Army rank of first lieutenant), effective date of oath of office:

Louis B. Thomas	C. Brooks Fry, Jr.
Donn G. Mosser	Robert D. Dooley
Alan D. Miller	Stuart M. Sessoms
Luther E. Smith	James J. Thorpe
A. McChesney Evans	Robert M. Farrier
Donald Harting	Charles C. Griffin, Jr.
Robert E. Westfall	Joseph E. Clark
William T. Meszaros	Francis P. Nicholson
Sheldon Dray	Raymond N. Brown
Cornelius J. O'Donovan	Frederic D. Regan
	Joseph Leighton

To be senior assistant surgeons (equivalent to the Army rank of captain), effective date of oath of office:

Birdsall N. Carle	R. Carl Millican
Pasquale J. Pesare	Ross A. Snider
Clinton C. Powell	Carl R. Kunstling
Eliah M. Nadel	Marvin O. Lewis
J. Russell Mitchell	

To be junior assistant nurse officers (equivalent to the Army rank of second lieutenant), effective date of oath of office:

Dorothy A. Turner	Pauline M. Gronas
Joan M. Norkunas	Catherine J. Lyons
Augusta M. Christopher	Ardyth M. Buchanan
	Dolores T. Stang
Carlotta A. Ballantyne	Margaret M. Sweeney
Leona R. Cubinsky	Elaine Felt
Winifred Woods	Patricia H. Parnell
Anna B. Barnes	Josefina Sanchez
Alice I. Shedd	Ann M. Zidzik
Essie E. Lee	Ruth I. Webb
Joyce B. Rieling	Alice M. Driscoll
Virginia L. Roberts	Elsie M. Pinkham
Evelyn J. Guess	Barbara A. Emerson
Nelle F. McCarthy	

To be assistant nurse officers (equivalent to the Army rank of first lieutenant), effective date of oath of office:

Mary V. Ward	Maryrose Johnston
Ruth A. Johnson	Gertrude I. Miller
Winifred M. Mendez	M. Elizabeth McBride
Arne L. Bulkeley	Sally Wladis
Jeannette Bedwell	Marie F. Hanzel
M. Lois McMinn	Eleanor E. Wagner
Emijean Snedegar	Flora Jacobs
Sylvia Simon	Ina L. Ridlehoover
Stella M. Williams	Adele L. Henderson
Olive J. Faulkner	Marion C. Burns
Philomene E. Lenz	Helen E. Enright
Mable Pelikow	Henrietta Smellow
Jean C. Feely	Mathilde A. Haga
H. Jean McIver	Gertrude L. Anderson
Helen Gertz	Latis M. Campbell
Lucille E. Corcoran	Henrietta Rust
Dorothy G. Erickson	Myra I. Johnson
M. Estelle Hunt	Irma C. Thomsen
Mary E. McGovern	Irma M. Lamberti
Mildred T. Bogle	

To be senior assistant nurse officers (equivalent to the Army rank of captain), effective date of oath of office:

Elizabeth H. Boeker	Alice M. Fay
L. Margaret McLaughlin	Catherine L. Mahoney
	Margaret E. Willhoit
Edna A. Clark	Opal B. Stine
Miriam K. Christoph	Genevieve S. Jones
Ella Mae Hott	Daphine D. Doster
Alice E. Keefe	Frances S. Buck
Margaret Denham	Anna M. Matter
Eleanor J. Gochanour	Josephine I. O'Connor

COAST AND GEODETIC SURVEY

TO BE COMMANDERS, WITH DATE OF RANK AS INDICATED AFTER NAMES

William M. Scaife, August 1, 1947.
Robert F. A. Studds, August 1, 1947.

TO BE LIEUTENANT COMMANDERS, WITH DATE OF RANK AS INDICATED AFTER NAMES

Gilbert R. Fish, August 1, 1947.
Franklin R. Gossett, August 1, 1947.

TO BE LIEUTENANT (JUNIOR GRADE), WITH DATE OF RANK AS INDICATED AFTER NAME

Allen L. Powell, August 16, 1947.

TO BE ENSIGNS, WITH DATE OF RANK AS INDICATED AFTER NAMES

John R. Plaggmier, July 28, 1947.
Leonard S. Baker, September 9, 1947.

IN THE ARMY

APPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY OF THE UNITED STATES

To be brigadier generals

George Abbott Brownell
Clarence Lemar Burpee
Ken Reed Dyke
Robert Joshua Gill
Maurice Hirsch
Julius Cecil Holmes
Edwin Whiting Jones
Francis Rusher Kerr
James Fenton McMannmon
William Claire Menninger
Hugh Meglone Milton II
John Joseph O'Brien
Francis Willard Rollins
Conrad Edwin Snow

HONORARY RESERVE

To be brigadier generals

Thomas Donald Campbell
Oscar Nathaniel Solbert
William James Williamson

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES OF THE ARMY OF THE UNITED STATES

To be major generals of the line

John Charles McLaughlin
James Clyde Styron

To be brigadier generals of the line

Walter LeRoy Anderson
Waldemar Fritz Breidster
Wallace Anthony Choquette
Albert Bartlett Crowther
Henry Cotheal Evans
George Washington Fisher
Ansel Blakely Godfrey
Paul Henry Jordan
James Albert Lake
Harold Gould Maison
Wallace Huntoon Nickel
Charles Gurdon Sage
Brenton Greene Wallace

WITHDRAWAL

Executive nomination withdrawn from the Senate June 18 (legislative day of April 21), 1947:

FEDERAL COMMUNICATIONS COMMISSION

Ray C. Wakefield to be a member of the Federal Communications Commission.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 18, 1947

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Father of infinite love, who hast promised to those who with all their hearts truly seek Thee Thou wilt remove their transgressions from them, we pray for that true joy which Thy presence alone can give. As Thou dost require truth in the inward parts, cleanse Thou us from secret faults; forbid that we should be hasty in our judgments, lest in judging others we condemn ourselves. Grant that all hidden motives may be woven into a plea for unity and understanding among us. May we never miss life's great things, which neither strive nor fret, but move in gentleness and quiet as the purpose of Thy wondrous love is revealed.

In our Saviour's name and for His sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

AMENDMENT TO FEDERAL INSURANCE CONTRIBUTIONS ACT

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3818) to amend the Federal Insurance Contributions Act with respect to rates of tax on employers and employees, and for other purposes, and asks for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That clauses (1), (2), and (3) of section 1400 of the Federal Insurance Contributions Act (Internal Revenue Code, sec. 1400), as amended, are hereby amended to read as follows:

"(1) With respect to wages received during the calendar years 1939 to 1949, both inclusive, the rate shall be 1 percent.

"(2) With respect to wages received during the calendar years 1950 to 1956, both inclusive, the rate shall be 1½ percent.

"(3) With respect to wages received after December 31, 1956, the rate shall be 2 percent."

SEC. 2. Clauses (1), (2), and (3) of section 1410 of the Federal Insurance Contributions Act (Internal Revenue Code, sec. 1410), as amended, are hereby amended to read as follows:

"(1) With respect to wages paid during the calendar years 1939 to 1949, both inclusive, the rate shall be 1 percent.

"(2) With respect to wages paid during the calendar years 1950 to 1956, both inclusive, the rate shall be 1½ percent.

"(3) With respect to wages paid after December 31, 1956, the rate shall be 2 percent."

SEC. 3. Section 504 of the Social Security Act amendments of 1946 (Public Law 719, 79th Cong.), fixing the termination date of amendments relating to grants to States for old-age assistance, aid to the blind, and aid to dependent children, is hereby amended by striking out "December 31, 1947" and inserting in lieu thereof "June 30, 1950."

SEC. 4. Section 603 of the War Mobilization and Reconversion Act of 1944 (terminating the provisions of such act on June 30, 1947) shall not be applicable in the case of the amendments made by title IV of such act to the Social Security Act.

SEC. 5. (a) Section 904 (h) of the Social Security Act is hereby amended to read as follows:

"(h) There is hereby established in the unemployment trust fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to (1) the excess of taxes collected prior to July 1, 1946, under title IX of this act or under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1946, plus (2) the excess of taxes collected in each fiscal year beginning after June 30, 1946, under the Federal Unemployment Tax Act, over the unemployment administrative expenditures made in such year. As used in this subsection, the term 'unemployment administrative expenditures' means expenditures for grants under title III of this act, expenditures for the administration of that title by the Board or the Administrator, and expenditures for the administration of title IX of this act, or of the Federal Unemployment Tax Act by the Department of the Treasury, the Board, or the Administrator. For the purposes of this subsection there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this act, the sum of $40,561,886.43 which was authorized to be appropriated by the act of August 24, 1937 (50 Stat. 754)."

(b) Section 1201 (a) of the Social Security Act is hereby amended by striking out "on June 30, 1945, or on the last day in any ensuing calendar quarter which ends prior to July 1, 1947", and inserting in lieu thereof "on June 30, 1947, or on the last day in any ensuing calendar quarter."

With the following committee amendment:

Page 4, after line 10, insert the following:

"SEC. 6. This act may be cited as the 'Social Security Act amendments of 1947.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. REED of New York. Mr. Speaker, these amendments to the Social Security Act were unanimously adopted by the Committee on Ways and Means. The salient facts are set forth in the following:

Federal Insurance Contributions Act—Federal old-age and survivors' insurance under original 1935 Social Security Act

Contributions under 1935 act:	Percent
1937 to 1939	1
1940 to 1942	1½
1943 to 1945	2
1946 to 1947	2½
1948	2½
1949	3
1950 to 1956	3
1957 and thereafter	3
Contribution rate under present law:	
1937 to 1939	1
1940 to 1942	1
1943 to 1945	1
1946 to 1947	1
1948	2½
1949	3
1950 to 1956	3
1957 and thereafter	3
Contribution rate under H. R. 3818:	
1948 and 1949	1
1950 through 1956	1½
1957 and thereafter	2

Unless H. R. 3818 is enacted, the contribution rate under the Federal Insurance Contributions Act will automatically increase to 2½ percent each on employer and employee in 1948, and to 3 percent each in 1949.

The enactment of H. R. 3818 at this time will, under present economic conditions, relieve employers and employees of additional contributions amounting to $1,000,000,000 each in 1948 and $1,400,000,000 each in 1949.

The rate has been frozen at 1 percent seven times, notwithstanding the accumulation of approximately $8,700,000,000 in the Federal old-age and survivors' insurance trust fund.

Income to fund this year, 1947—fiscal year—is estimated at $1,565,000,000. Disbursements are estimated at $464,000,000 for the same period.

Under H. R. 3818, the fund will have increased to about twice its present size in 1956.

At the end of 1946, there were 75,500,000 living persons who had wage credits under the insurance system.

On June 30, 1946, there were 1,500,000 persons receiving benefits. There were 888,000 persons fully insured who, if retired, could draw benefits.

There are 1,155,000 persons who are eligible for old-age benefits who are not drawing them at the present time.

Rates in H. R. 3818 will provide an actuarially sound system at least for the next 10 years.

AGED, BLIND, AND CHILDREN

Section 3 of the bill contains the increased Federal grants to the States for needy, aged, and the blind, and dependent children until June 30, 1950.

UNEMPLOYMENT INSURANCE FUND—WAR MOBILIZATION AND RECONVERSION ACT OF 1944

H. R. 3818, sections 4 and 5, provides for continuance on permanent basis certain temporary provisions of the War Mobilization and Reconversion Act of title IV of that act which expires June 30, 1947, unless made permanent.

Provisions established within the unemployment trust fund a separate account known as the Federal unemployment account. It authorized congressional appropriations to be made thereto in amounts equal to the excess of tax collections under the Federal Unemployment Tax Act over the unemployment administration expenditures, and such further sums as may be necessary.

The excess of Federal unemployment tax collections, as to State grants for administering unemployment insurance; and as to the resulting net profits which the Federal Government has so far made in tax collections. Excess at present amounts to some $800,000,000. This sum collected has been spent by Federal Government. Otherwise it could have been used for unemployment insurance purposes. This sum should be made permanently and irrevocably available for unemployment insurance purposes.

The reserves of 22 States exceed ten times the highest annual expenditures.

EXTENSION OF REMARKS

Mr. HOEVEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article by David Lawrence.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include a magazine article.

Mr. BLACKNEY asked and was given permission to extend his remarks in the RECORD and include a radio address which he gave over WJR, Detroit, Mich., on Saturday, May 31, 1947.

Mr. GOODWIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. JOHNSON of Indiana asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. ELSAESSER asked and was given permission to extend his remarks in the RECORD.

Mr. BRADLEY asked and was given permission to extend his remarks in the RECORD and include a resolution by the Congregational Christian Churches of California and other Southwestern States regarding peacetime military training.

SHIPMENT OF STEEL PIPE FROM LONG BEACH, CALIF.

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BRADLEY. Mr. Speaker, the greatest shipment of material ever to be sent out of any one port to any one account, in the history of the world, is about to commence from the harbor of Long Beach, Calif. More than 1,000,000 tons of steel pipe, to be used by the Standard Oil Co. of California and the Texas Co. in the construction of an oil pipe line across Arabia, from the Persian Gulf to the Mediterranean, will be transported in a fleet of from 35 to 50 freighters, sailing at intervals of about every 5 days, until the shipment is completed. This vast quantity of pipe will be fabricated at the plant of the Consolidated Steel Co., at Maywood, Calif., from plates rolled at the United States Steel's mill in Geneva, Utah.

The port of Long Beach is pleased to receive this recognition of its high position in maritime circles—this recognition of the fact that it is now one of the best equipped, one of the most ably managed; in fact, one of the great ports of the world. It is a port which can accommodate ships of any size now afloat and which can handle expeditiously cargoes of practically any nature with a minimum of expense and with a maximum of expedition for both ship and cargo.

This shipment well illustrates the great industrial advance of our Western States.

THE ROCK THAT MR. TRUMAN THREW AT THE TAXPAYERS

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, the rock Mr. Truman threw at the taxpayers yesterday was shaped like a boomerang.

Let us be candid; everybody agrees that some of the surplus should be used for tax reduction.

We are fighting about what is to be done about the rest of it.

We Republicans believe that tax money which the Government does not need should be left with the taxpayer, who does need it to make both ends meet.

Truman Democrats say: Tote that barge, lift that bale, because we need your taxes to keep the boys on the pay roll; our slogan is: Truman in 1948—your taxes will help us.

Meanwhile, shall we vote billions for Europe, while a Democratic President denies tax relief to the American people?

THE HONORABLE EDWARD MARTIN

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McDOWELL. Mr. Speaker, when the Thirteen Colonies of the United States had banded themselves together and were fighting for their very existence, which meant the liberty and the independence of the United States of America, General Washington caused to be created in the city of Philadelphia, Pa., the first American flag.

Last Saturday, on the anniversary of that important historical date in my State, the Governor of Pennsylvania, the Honorable James H. Duff, awarded the distinguished service medal of the Commonwealth of Pennsylvania to Maj. Gen. EDWARD MARTIN, former Governor of our State, former auditor general, former treasurer, and former adjutant general, and a former commanding general of the Twenty-eighth Division. General MARTIN is now representing the Keystone State in the United States Senate.

I know I voice the sentiment of more than 10,000,000 Pennsylvanians in applauding the action of Governor Duff, as no Pennsylvanian in the long history of the Keystone State has built up such an impressive record of service to his State and his Nation as has General MARTIN. The Republican Party, which is already overwhelmed with a wealth of men of the capabilities and the talents that are required for the Presidency of the United States, would do very well to come back to the birthplace of the Nation and to examine the talents and abilities of this distinguished American.

COMMONWEALTH OF PENNSYLVANIA,
GOVERNOR'S OFFICE,
Harrisburg, June 14, 1947.

CITATION FOR DISTINGUISHED-SERVICE MEDAL

Maj. Gen. EDWARD MARTIN, an outstanding soldier, statesman, United States Senator, Governor, auditor general, treasurer, adjutant general, and commanding general, Twenty-eighth Division; his rare abilities, under-

standing of human nature, his counsel and guidance as a counselor at law, command the admiration and respect of all.

As an outstanding superior soldier and veteran of three wars, he was awarded the Distinguished Service Cross and the Purple Heart with the Oak Leaf Cluster. As commanding general, Twenty-eighth Division, his diligence to his duties, close attention to painstaking details, and his thoroughness of purpose, at times requiring the utmost tact and diplomacy, not only created a great combat division but won the hearts and admiration of his fellow soldiers. With many years as a public official, he labored incessantly for the benefit and welfare of his fellow man. Kind, courteous, and considerate always, the result of his efforts will stand as a monument to his memory.

In recognition of his unusual service to Pennsylvania, we do hereby award to him the distinguished-service medal of the Commonwealth of Pennsylvania.

[SEAL] JAMES H. DUFF,
Governor of Pennsylvania.

EXTENSION OF REMARKS

Mr. HUGH D. SCOTT, JR., asked and was given permission to extend his remarks in the RECORD and include an editorial from the Philadelphia Inquirer of June 14.

COOPERATION

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, where is the cooperation which you were supposed to get?

Millions of American taxpayers do not get any tax relief this year because we do not have enough Republican Congressmen to override a Democratic President's veto.

The Republicans are fighting as hard as they can to get some semblance of economy and efficiency in the Government departments. We Republicans are doing all we can to cut off appropriations to curb the departments from doing things that spell defeat in efficiency and economy. We get no cooperation from the Chief Executive.

Where is the cooperation that Congress was supposed to get? The American people must realize that since last November a new Congress was elected. If they want results in economy, less taxes, and better laws, we will need the help of a President who will cooperate with the Congress.

Next year elect a Republican President.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Minnesota.

Mr. KNUTSON. In 1945 the President signed a tax bill that gave $6,000,000,000 relief to the corporations in the face of a $50,000,000,000 deficit. Now when there is a surplus in the Treasury he refuses to give the masses tax relief.

Mr. RICH. If he does not want to give tax relief, why does he not cut down Government expenses?

Let him give us a little cooperation. He promised it—but it is lacking.

EXTENSION OF REMARKS

Mr. KNUTSON asked and was given permission to extend his remarks in the RECORD and include editorials appearing in the New York Times, the New York Sun, and an article by David Lawrence.

Mr. OWENS asked and was given permission to extend his remarks in the RECORD concerning Danish-American Day.

Mr. SMITH of Virginia asked and was given permission to extend his remarks in the RECORD.

Mr. LYNCH asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD and include an address by Gen. L. C. Sheppard.

Mr. RAINS asked and was given permission to extend his remarks in the RECORD and include an address by Thomas Russell.

Mr. MORRISON asked and was given permission to extend his remarks in the RECORD.

FUTURE LEADERS OF AMERICA

Mr. OWENS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. OWENS. Mr. Speaker, those who are worried about the future of our Nation need only to meet the leaders of tomorrow to know that their fears are groundless. If we want to know the leaders, all we have to do is to meet the students from the various parts of the United States who are visiting our Capitol each day of the week. Today we have the pleasure of greeting a group of students of the high school of Barrington, Ill., which is located in the northern part of Illinois. Barrington is a fine farming community. The position of Barrington township is unique in that it is divided half between Cook County and half between Lake County, and represented by two districts, the Seventh and Tenth of Illinois. I have the honor to represent the Seventh. Yesterday, in the State of Illinois, we had the long-awaited congressional redistricting bill passed, and in the near future all the people of Barrington will be represented by the Honorable RALPH E. CHURCH, and I shall lose those fine constituents. My loss is his gain. I congratulate Mr. CHURCH.

THE TAX BILL

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, now that the House was unable or unwilling to override the President's veto of the tax bill and we are going to collect all this money from the people, it behooves this Congress to cut down on expenditures. We have to cut down these appropriations that have already been made; we ought to cut them a lot, and if this money must be taken from the taxpayers, it should be used in the public interest. It should be used to reduce the national debt. If the people cannot use it for their own benefit, as well as for the benefit of their communities, it ought to be applied to the national debt and not spent in the hope of electing and continuing the present reckless administration who seem to understand only deficit financing.

Mr. Speaker, I ask unanimous consent to include as part of my remarks an editorial in today's the Philadelphia Inquirer entitled "So Millions of Little People Do Without Tax Cut."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. The editorial referred to reads as follows:

SO MILLIONS OF LITTLE PEOPLE DO WITHOUT TAX CUT

When the House yesterday lacked two votes needed to override President Truman's political veto of the $4,000,000,000 income tax-reduction bill, this worth-while measure died the death to which the Executive's indefensible action had condemned it.

So it is good night for the present to all tax-reduction hopes. As Speaker JOSEPH W. MARTIN commented, "This is the last say on taxes this year. Apparently the Democrats have little interest in cutting expenditures and reducing taxes. We may have to wait until we get a Republican President before we get tax reduction."

One thing Mr. Truman utterly failed to do in his labored message explaining his veto. He didn't make the explanation stick. His flimsy excuses carried clearer implication than ever that he and his associates are determined to twist tax reduction to partisan political purposes in a Presidential election year.

Why, otherwise, would he have made the ridiculous assertion that he is committed to tax reduction but only "the right kind of tax reduction, at the right time"? The right time for him, presumably, is not 1947 but 1948.

And why, otherwise, in purporting to set forth the injustices of the Republican tax-cut bill, would he have cited take-home pay increases based on dollar income rather than on the percentage of tax savings to the individual? The political odor of the President's illustration was strong.

But even if his point were justified—and it is, of course, obvious that the wealthy man would have more dollar (but not percentage) saving than the man in the lower brackets—it's a certainty that the millions of little people would have gotten a bigger kick, and probably more benefit, out of the tax reduction than would the man with an income of $100,000 or more.

However, the millions of little people as well as the handful of wealthy folk will have to go along without a welcome boost in their take-home pay, will have to go on fighting high prices with their war-taxed incomes—just because the time wasn't right for Mr. Truman to sign a tax-reduction bill, which both Houses of Congress had passed by impressive majorities. The whole business is disgusting, a travesty on democracy.

MEAT PRICES IN NEW YORK CITY

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, the City Council of the City of New York has asked us to investigate the soaring meat prices, especially in New York City. New York Markets Commissioner Eugene G. Schulz reports on the basis of a city-wide sampling meat prices within an 18-day period have advanced upward of 29 percent.

These outrageous price rises are not limited to choice cuts but strike the hardest kind of blows against low-income families, who buy the cheaper meats, so that a hamburger has become a luxury in New York.

It is hoped that the House Agriculture Committee will immediately investigate these gouging advances, and especially the spread of price between cattle growers and retail butchers. I incline to the belief that the investigation will show illegal price fixing. Continuance of present conditions will result in the bulk of New York families being deprived of necessary nutrition that comes from meat.

EXTENSION OF REMARKS

Mr. ROONEY asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Evening Star.

Mr. DEANE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the State Legislature of Florida.

Mr. SABATH asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. RICHARDS asked and was given permission to extend his remarks in the RECORD.

INCOME-TAX REDUCTION

Mr. ROONEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Speaker, the remarks just made by the gentleman from Pennsylvania [Mr. RICH] and the gentleman from Minnesota [Mr. KNUTSON] remind me of a sign I used to have in my law office some years ago which said "Quityourbellyaching." I sincerely trust that before this Eightieth Congress finally recesses we will have a real tax reduction bill which will be just and fair to the little man, not a bill such as the one the Republican majority tried to put over on the people of America; a tax reduction bill which will not be for the benefit of the $300,000-a-year income taxpayer contributor to the Republican National Committee, but a tax bill which will increase the exemptions of the little man and take the citizen making less than $2,500 a year off the tax rolls.

TERMINAL-LEAVE-PAY BONDS

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, I bring to you today the voice of the Legislature of the State of Florida, which passed unanimously a Senate concurrent resolution requesting this Congress to pass legislation providing for cash payment to veterans holding terminal-leave bonds. I hope we will not delay longer passing this legislation. I further bring to you the voice of the American Legion, the State Department of Florida, which unanimously passed a resolution calling on this Congress to pass legislation making said bonds redeemable in cash. We have but a few days left now to pass such legislation and send it to the Senate for action. We waited the last session until the very last minute to give these boys their terminal-leave pay, and when the bill went to the other body it came back unsatisfactory to this House by making terminal leave pay in bonds instead of cash. Let us take action now to right that wrong and provide that these boys can get cash. Let us not go home and tell the boys, "We had to accept something because the other body did it." I appeal to you to do something today. Do not procrastinate. The day of salvation is at hand.

COOPERATION

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Speaker, as a boy I learned how effective and how important cooperation could be, when one day I batted bumble bees right and left in a clover field, and the next day I was foolish enough to stir up a nest of them in an old rotten log. On the one occasion I was victorious over hundreds. On the other occasion I was pretty badly bunged up and put to flight by a mere handful.

The point I want to stress is this: Cooperation is a very effective and a very desirable thing in the world today. In fact, it is the basis of civilization. Now, then, if one branch of the Government wants cooperation on its foreign policies, perhaps another branch of the Government should expect cooperation on domestic policies.

Mr. Speaker, 2 years ago President Truman signed the Revenue Act of 1945, which was a Democratic tax measure sponsored by the gentleman from North Carolina, Congressman ROBERT DOUGHTON, then chairman of the Ways and Means Committee. The Revenue Act of 1945 provided tax relief of over $6,000,000,000 per year, most of which went to corporations; and this in the face of a $20,000,000,000 budget deficit. Now, President Truman has vetoed a Republican tax reduction bill that proposed to give 49,000,000 individuals tax relief amounting to $4,000,000,000, most of which would have gone to taxpayers in the lower brackets. The bill was vetoed in spite of the fact that we expect a Treasury surplus of several billion dollars during the present fiscal year.

In taking this action President Truman brushed aside the advice of such Democratic leaders as Senator GEORGE and the gentleman from North Carolina, Congressman DOUGHTON, who told him the country needed tax relief now. These two men are outstanding tax authorities, each having been chairman of the respective tax committees of the Senate and the House. President Truman preferred to follow the advice of lesser men who do not understand that this Nation cannot long maintain full employment, full production, and a sound economy, and at the same time carry the present excessive wartime tax load. The President's veto message forces the internal revenue men to continue to extract 20 percent out of the pay envelopes of some 45,000,000 American workingmen.

It is interesting in this connection to note that in 1944, President Roosevelt vetoed a tax bill, the first tax bill ever to be vetoed by an American President. And at that time Senator Truman joined Senator BARKLEY in denouncing the veto message and helped by his vote to override that veto.

TAX, SPEND, ELECT

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, it is still tax and tax and tax, and spend and spend and spend, but it will not be elect and elect and elect.

EXCISE TAXES ON TRAILERS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, at the present time we have a 7-percent excise tax on housing in the form of trailers.

The levy constitutes an unjust and discriminatory tax on one particular type of housing. It is not levied against any other form of housing.

Last year the Government collected more than $5,000,000 in trailer excise taxes.

Most of that money was paid by veterans who needed housing.

So far this year more than 60 percent of the trailers sold have gone to veterans.

The Bureau of Internal Revenue maintains trailers should be taxed along with other automotive equipment.

The facts are that through direct purchase the Government has recognized trailers to be housing, not automotive equipment.

Milwaukee has purchased more than 1,000 trailers for housing so far this year. Hundreds of smaller cities have purchased them in lesser quantities.

In 1941 the Michigan State Supreme Court upheld a decision of Circuit Judge H. Russell Holland, in which Judge Holland stated clearly that trailers are housing units.

Last year Housing Expediter Wilson Wyatt recognized trailers as housing by including them in the Government emergency-housing program.

It is time for us to take the 7-percent excise tax off housing and I hope that Congress will do that in the very near future.

UNITED STATES REDEEMS RUSSIAN MONEY

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, for the past 24 hours word has been coming to us through the press and over the radio that the United States Government has had to redeem $380,000,000 worth of money spent in occupied Germany by Russian soldiers. The United States is called upon to redeem this money because it is in fact American occupation money made available to Russia by the United States. This money was printed by Russia on plates furnished them by the Treasury of the United States early in 1945. They are still printing it and still spending it, and we are still redeeming it. How much we will have to redeem we do not know.

Mr. Speaker, is it possible that the tax bill was vetoed in order to be sure to have enough of American taxpayers' dollars to redeem American occupation money spent by the Russian Army in the occupied zone in Germany?

EXTENSION OF REMARKS

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include certain editorials and extraneous material.

VETO OF THE TAX BILL

Mr. KILBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KILBURN. Mr. Speaker, under the Constitution, the House of Representatives has the power to tax the people of this country and take their money to run the Government. Under that same Constitution, the President is empowered to direct foreign affairs.

The founding fathers that wrote the Constitution inserted a provision that the President could veto legislation passed by Congress. That veto was presumed to be used sparingly and only under unusual circumstances.

We now have the spectacle of the President using that veto power to, in effect, legislate on the taxing authority of the House. In other words, one man now says how much money shall be taken away from the individual wage earner. I feel that the President was wrong in using his veto power for this purpose. The House passed the tax bill by a big majority and if the President had lived up to the spirit of the Constitution he would have signed that bill because the taxing power is vested in the House and not in him.

Under the Constitution, the foreign relations is very properly directed by the President. I have always supported the President in his direction of foreign affairs. Many times there have been grave doubts in my mind when I voted. I have felt, however, that the President and the Secretary of State and his foreign department knew the facts probably better than I, so I have tried to support him in our relations with other countries. I feel that is following the provisions and spirit of the Constitution.

Now the President has taken upon himself the authority of telling the House of Representatives how they shall tax the people. He is taking this authority for what, to my mind, is a frivolous reason. He apparently wants to gain some questionable political advantage. If I, as a Member of the House, acted with the same motives and in the same spirit as the President, I should vote against every proposal that he makes. I will not do that. I still intend to vote for what I consider and believe are the best interests of the country under the spirit of the Constitution.

EXTENSION OF REMARKS

Mr. McGREGOR asked and was given permission to extend his remarks in the RECORD and include therein an article written by one of his constituents.

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD.

INDEPENDENT OFFICES APPROPRIATION BILL, 1948

Mr. WIGGLESWORTH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3839) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3839, with Mr. SPRINGER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. General debate was completed on yesterday and the first paragraph of the bill had been read.

The Clerk will read.

The Clerk read as follows:

PANAMA CANAL CONSTRUCTION ANNUITY FUND

Panama Canal construction annuity fund: For payment of annuities authorized by the act of May 29, 1944 (Public Law 319), $1,910,000.

Mr. GORE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for eight additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. PHILLIPS of California. Mr. Chairman, reserving the right to object, I do not think the committee has any thought of limiting the time or objecting, but what was the nature of the gentleman's comment? Would it be possible to ask for the additional time when the gentleman has consumed the first 5 minutes?

Mr. GORE. If the gentleman so wishes that procedure, it is satisfactory to me. I withdraw that request, Mr. Chairman. I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GORE. Mr. Chairman, I have seen in the press and heard over the radio a great many statements and many varying figures and amounts as to how much the budget has been cut to date. The truth is that the phony cuts—that is, the phony claims of reductions—now exceed the real cuts in the budget by nearly a billion dollars.

The purely phony budget-cut claims of the Republicans have now reached a total of $2,649,150,000.

Republican leaders now shy away from the word "reduction" and are undertaking to substitute the word "saving"—with a double meaning. For instance, they are now claiming as savings not only phony reductions, but additional revenue as well.

With consideration of the 1948 budget about completed by the House, the vaunted Republican economy drive is now revealed to have fizzled—hopelessly bogged down. The bona fide reductions in appropriations now total only $1,875,716,750—pitifully short of the $6,000,000,000 goal.

What is more, the reduction is larger now than it will be at any time between now and June 30, 1948. The process of reducing the reduction will soon get under way by two methods: One, the other body, will add many millions of increases as they consider appropriation bills, and, two, deficiency bills will have to be considered early next year.

I have kept the fiscal score so far, and I expect to keep the tally until all deficiencies are in and the fiscal year ends June 30, 1948. At that time I shall be surprised if the Republicans do very much better than to live within the President's budget.

BONA FIDE AND PHONY CUTS

I decided to post the scoreboard. To do so, I have made two charts or tables and place them side by side: First, total

bona fide reductions in appropriations made by the House of Representatives, and, second, the phony budget-cut claims in which there is not one dollar of real reduction of Government expenditure. Here they are:

Total bona fide reductions in appropriations made by the House of Representatives for fiscal year 1948 (including independent offices bill as reported)

Appropriation bills:	*Bona fide reductions*
Treasury, Post Office	$97,072,750
Labor, Federal Security	28,825,520
Government corporations	14,847,550
Agriculture Department	343,427,742
War Department	435,809,077
Navy Department	377,519,200
State, Commerce, Judiciary	159,645,031
Interior Department	134,006,907
Independent offices	[1] 175,240,732
Total	1,766,394,509

[1] Includes a $20,000,000 reduction in appropriation for Philippine War Claims Commission which may or may not prove to be a real reduction.

Phony budget cut claims (in which there is not one dollar of real reduction of Government expenditure)

Postponement of tax refunds	$800,000,000
Additional revenue from ship sales	505,075,000
Downward revision of budget by the President	291,075,000
Treasury cancellation of CCC notes	642,000,000
Abolishing Maritime Commission's revolving fund	108,000,000
Atomic Energy Commission part-year appropriation	75,000,000
Contract authorization instead of appropriation for veterans' hospitals	30,300,000
Substitution of contract authorization for money already appropriated	50,000,000
Deferral of appropriation for veterans' pensions	50,000,000
Contract authorization substituted for appropriation for Hill-Burton hospital program	50,000,000
UNRRA	47,700,000
Total	[1] 2,649,150,000

[1] Does not include alleged reduction in Maritime Commission budget of $73,200,000 which, together with elimination of budget limitation, will probably increase rather than decrease expenditures.

REAL REDUCTIONS LISTED

I should like to point out first the real reductions in the budget. These are taken from the bills that we have passed. They total $1,876,716,750. These are to be considered in conjunction with the phony cuts claims in which there is not one dollar of real reduction in expenditure to the taxpayers. I should like to take these in turn and give my own explanation of why they do not represent any real cut in Government expenditure.

Let us take the first one: Postponement of tax refunds. That has been debated here, and I will not detain the Committee at any length to discuss that, but will merely quote the distinguished chairman of the subcommittee which reported the bill. In debate on the bill the gentleman from New Jersey [Mr. CANFIELD] said on March 10 when the bill was under consideration:

> We do not intend to leave the impression that this $800,000,000 reduction will save a single dollar for the taxpayer. The Government will still have to pay out whatever taxes are paid unnecessarily.

That is better than I can say it, and it comes from the distinguished chairman of the subcommittee; yet in repeated statements to the press I have seen this claimed as a saving or a reduction in the President's budget.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. GORE. I shall be delighted to yield.

Mr. COUDERT. Does the gentleman deny that that is a reduction from the budget estimate of the President? Yes or no, please.

Mr. GORE. I am saying, as the distinguished chairman of the subcommittee said——

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. GORE. Mr. Chairman, I ask unanimous consent to proceed for 10 additional minutes.

Mr. PHILLIPS of California. Mr. Chairman, reserving the right to object, I certainly know that neither the committee nor I personally will object because we are always glad to have anyone, even a member of the opposite party, demonstrate so clearly the savings that are being made to the taxpayers of the United States; and I do not believe the taxpayer will care particularly whether it is called a saving or a reduction, as the effect on the taxpayer's pocketbook is the same. If the gentleman from Tennessee will permit me, I thought perhaps he could save time if it might be understood that the minority party of which he is so distinguished a member is opposed to all reductions in spending or reductions in the budget. That would save some of his time. That is all I have in mind.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GORE. Mr. Chairman, you will note the sudden use of the word "saving." You will notice it more as we go along.

Mr. COUDERT. Mr. Chairman, will the gentleman answer the question I asked before his time ran out?

Mr. GORE. I will be delighted to yield, but I must warn the gentleman it may be necessary to request additional time if I yield because I have a number of items to discuss.

Mr. COUDERT. The gentleman's time will not be cut off prematurely, I am sure.

Mr. GORE. I thank the gentleman. I have served on the committee with the able gentleman from New York and whenever he asks anyone to yield I know he has in his mind a real contribution to the discussion; so I gladly yield to the gentleman.

Mr. COUDERT. I thank the gentleman for yielding. I too have enjoyed service with the gentleman from Tennessee. I would like the gentleman from Tennessee to tell me whether or not the first item in that, and the only one to which he has referred, does not in fact reflect a reduction in the budget estimates submitted by the President?

Mr. GORE. It represents a phony reduction. It is apparent but not real, as I have quoted the chairman of the subcommittee as saying.

Mr. COUDERT. I would like to ask the gentleman one further question. Does the gentleman admit that the point of departure, the point of comparison, in determining what is or what is not a budget reduction must be the original figure submitted in the original budget estimates from the Budget Bureau? I think that is a very simple question.

Mr. GORE. In reply, I would like to ask the gentleman a question: Does he think that this saves the American taxpayers one dollar?

Mr. COUDERT. Now, wait a minute.

Mr. GORE. Well, I am waiting for the gentleman's answer.

Mr. COUDERT. If our budget estimate is correct, it will save the American taxpayers no less than $800,000,000, or whatever the figure is.

Mr. GORE. I beg to disagree with the gentleman.

Mr. COUDERT. Of course, that would be a bagatelle to the gentleman's party because the Members on that side do not care anything about the people's money except to spend it.

Mr. GORE. The estimate, whether for $800,000,000 more or $800,000,000 less, would not save one dollar nor cost one dollar extra. Only those taxes which are overpaid will be repaid and none which are not overpaid will be repaid.

Mr. TABER. Mr. Chairman, will the gentleman yield? I want to ask him a question about the first item.

Mr. GORE. Will the gentleman secure me additional time?

Mr. TABER. I do not imagine the gentleman will have too much difficulty in that respect. This is the picture——

Mr. GORE. This is the picture absolutely.

Mr. TABER. If the money is not needed and the evidence indicated that it would not be needed, it is very proper for the Congress to operate and put in a figure that will represent what is needed instead of a phoney figure that might be in the budget.

Mr. GORE. The evidence of which the gentleman speaks is incorporated, I take it, in the report of the committee. The report says that taxes are going to be cut, therefore, the amount of tax refunds would be less. As a matter of fact, the very opposite would be the result. You and I are paying taxes and have been paying taxes at current rates, and any cut in taxes would entitle us to more refunds; not less. The evidence to which the gentleman refers is as spurious and bogus as the claim of budgetary reduction.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The claim of our Republican friends at the beginning of the session was that they would make a $6,000,000,000 reduction.

Mr. GORE. By reason of cuts in the budget.

Mr. McCORMACK. Now, if this $800,000,000 was appropriated and it was not needed, not a penny of it would be spent.

Mr. GORE. Not one.

Mr. McCORMACK. So there is no economy here, and the position that the gentleman from New York [Mr. COUDERT] places himself in takes on a peculiar light because when they put through the excise tax bill they tried to kid the public that it was not permanent legislation but that it was legislation without any time limit. They tried to make a lot of double talk in order to fool the people.

Mr. GORE. I thank the distinguished gentleman. I do not think there is any room for argument on this first item of the chart or table. The Chairman of the subcommittee states it in the CONGRESSIONAL RECORD.

Now I would like to come to the second item, additional revenue from ship sales.

Mr. COUDERT. Mr. Chairman, will the gentleman yield further?

Mr. GORE. If the gentleman will just let me read the second item, I will be delighted to yield.

Mr. COUDERT. The gentleman from Tennessee did not answer the original question I asked him. I still want that answered and then I will let him proceed without interruption.

Mr. GORE. I thought I answered the question fully. I know the gentleman has such very acute powers of discernment, and I admit my limitations, I know he can understand anything that is stated logically, and I regret that I have not been able to so state it.

Mr. COUDERT. Will the gentleman please answer the question whether or not the point of departure for comparison as to reduction or nonreduction is the original budget submitted by the Budget Bureau on behalf of the President?

Mr. GORE. If the gentleman is asking me the question as to whether or not the yardstick of whether the Congress reduces or does not reduce the budget, is the estimate contained in the budget submitted by the President, then the answer is "Yes," if that answers the gentleman's question. But what I am trying to point out is that there are real ways to cut it, effective ways, and there are phony ways by which you are merely making a show of economy this year, only to make a deficiency appropriation next year.

Now I would like to go to the second item, additional revenues from ship sales, $505,670,500. You will find that claimed as a saving in the report of the committee on the bill now under consideration.

Now, what is that? The $505,000,000 is an estimate of the committee of additional income that may result from additional sales and charter of ships. That represents no reduction in the budget. It represents no curtailment of expenditure. That is just what it says it is, additional revenue to the Government. How they can claim that as a reduction of the budget, I just do not quite understand. All the committee has done about it is merely to hear a rumor that additional ships might be sold, and they have done nothing to bring it about.

Mr. TABER. Mr. Chairman, if the gentleman will yield further, that came about as a result of a minute examination by the accountants of the committee and it developed that the money was coming in beyond question and that the President had not included it in his statement of receipts. We might just as well take the picture as it is right out in the open.

Mr. GORE. That is what I am trying to do.

Mr. TABER. There is no question about that.

Mr. GORE. I certainly respect and honor the distinguished chairman of the committee on which I have the privilege to serve, and I would like to ask him now just how this represents a reduction in the President's budget; how it cuts down on Government expenditures?

Mr. TABER. It does not cut down Government expenditure but it does reach into a place where a group of spenders might waste money and gather that money into the Treasury, where the people of the United States can have the benefit of it.

Mr. GORE. In the first place, you will not find one word in the bill requiring this to be paid in. The committee has merely found out that additional ships might be sold. They have done nothing to bring about an additional sale, they have done nothing to cause it to be paid into the Treasury, because that is where it would come anyway. The gentleman has just said it does not represent any reduction in expenditure. I thought that was what we were talking about when we started out talking about the President's budget. Now we have got around not to using the word "reduction" but the word "savings," now interpreted to be additional revenue.

Mr. COUDERT. If the gentleman will yield further, does he dare to pretend that when $500,000,000 of income that was concealed by the Budget Bureau is found by the committee and produced, they do not to that extent reduce the Government's obligation to spend? If you receive $10 you did not know you were going to get, are you not $10 better off?

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for five additional minutes, and I hope he will yield to me.

Mr. GORE. I will as soon as I respond to the question of the distinguished gentleman from New York.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GORE. In reply to the distinguished gentleman from New York, I will say that I am not a very daring man, but it does not require a great deal of courage or insight to realize that additional income to the Government represents no cut in the expenditures of the Government. The gentleman uses the word "produced." To that part of the gentleman's question I answer in the negative, because the committee and the Congress have not produced this additional revenue. It is merely additional sales which may occur without any action whatever on the part of the Congress.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. GORE. I promised to yield next to my friend from Ohio.

Mr. COUDERT. Just one question? The gentleman yields to me.

Mr. GORE. I am sure that the design here is not to prevent the gentleman from Tennessee from discussing this long list of items on the phony cut chart, though some might gather that impression.

Mr. COUDERT. No, we want the gentleman from Tennessee to tell the whole story, because we are very proud of it.

Mr. GORE. I promised to yield next to my genial friend from Ohio.

Mr. BROWN of Ohio. I rise for the purpose of being helpful to the gentleman from Tennessee.

Mr. GORE. The gentleman, possessing as he does such admirable talents, is always very helpful.

Mr. BROWN of Ohio. I believe we can understand why there is such great confusion in the gentleman's mind and why there is a difference of opinion here on the floor. I believe the gentleman made the statement that he wanted to quote facts and figures. There are about half a dozen of us here who have been through grade school and who have just added up the gentleman's figures. They do not add. If he will add those figures for the House and get the correct sum total, perhaps then it will be a little more informative.

Mr. GORE. If the gentleman will lend me the adding machine he has in his pocket, I will be glad to undertake to ascertain any possible error in addition, small though it be.

Mr. BROWN of Ohio. I have the adding machine in my head, and I hope the gentleman has one there. If the gentleman will take the time to notice—and I was glad to get time for him.

Mr. GORE. I thank the gentleman.

Mr. BROWN of Ohio. If he will add up his figures, he will ascertain that his column of figures just simply does not add. He either has the wrong amount or the wrong figures. Of course, if the gentleman, who has made such a careful study for the benefit of the Democratic minority, cannot get down the right figures or cannot add them up, which ever way it may be, then I can understand why such great confusion exists not only in his own mind but throughout the country. I think perhaps we are just adding to the confusion as we discuss this today.

Mr. GORE. I certainly appreciate the contribution of the distinguished gentleman from Ohio. If there is a slight difference in his addition and mine, I think we could leave it to the distinguished young gentleman from North Carolina, if he would add the figures and tell which of us is correct.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Rhode Island.

Mr. FORAND. My only reason for taking the floor right now is to show that the opposition is really putting up a drive to prevent the gentleman from going through his entire recapitulation, or whatever he has. That fact has been denied on that side of the House. I am going to put them to the test, with the gentleman's permission.

Mr. Chairman, I ask unanimous consent that the time of the gentleman from Tennessee be extended 15 minutes.

Mr. BROWN of Ohio. Mr. Chairman, I reserve the right to object simply to remark to the gentleman from Rhode Island who has made the unanimous consent request that it was not my purpose to delay the distinguished gentleman from Tennessee in making his illuminating remarks, but instead I wanted to bring before the House accurate figures because I do not think we should discuss figures here which on their face are not accurate and correct.

I hope the gentleman will get his arithmetic book out and correct these figures.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. GORE. Mr. Chairman, three of my distinguished colleagues have come to my rescue with reference to whatever errors there may be in addition here, and I will say that none of the three agree, so perhaps we had better get the adding machine.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield.

Mr. CHURCH. My colleague from Illinois [Mr. OWENS] and I have in the gallery a number of Barrington (Ill.) High School students, and I am sure that if they could see these figures before the gentleman from Tennessee, they would see an error by the millions.

Mr. GORE. The error, if any, is but small and inadvertent.

Mr. CHURCH. Mr. Chairman, the high-school children could compute the figures correctly.

Mr. GORE. Oh, I am sure of that, and with the help of the splendid class from the gentleman's district, the record will show the correct figures, I can assure the gentleman. Also I will put the adding machine to them instead of my mental arithmetic.

Now, Mr. Chairman, I would like to proceed to the third phony claim of cutting the President's budget.

Mr. COUDERT. Mr. Chairman, will the gentleman yield before he leaves that item?

Mr. GORE. I wish the gentleman would permit me to proceed.

Mr. COUDERT. I should like the gentleman to yield before he leaves that item which is not complete so far as I am concerned.

Mr. GORE. I yield.

Mr. COUDERT. I merely want to say that the gentleman apparently takes the view that income unexpectedly found and received by the Government is of no interest and makes no difference in budgetary figures.

Mr. GORE. Oh, no.

Mr. COUDERT. Does the gentleman mean by that that if this administration received unexpectedly $500,000,000 it will probably be wasted, misspent, and lost, like the $8,000,000,0000 that the Maritime Commission had and cannot in any way, shape, or form, account for now?

Mr. GORE. The administration, the executive branch of the Government, cannot spend one dollar which is not made available by Congress. This Congress, which has talked so much about economy, has already appropriated four times as much as was appropriated for all purposes in 1935 and about three times as much as was appropriated for all purposes in 1939; and if this money is spent it will be spent on the direction and authorization of this Congress which has been talking so much about economy, but which now refuses to deliver on the promises.

Mr. COUDERT. Would that $500,000,000 go into a general revolving fund?

Mr. GORE. I do not so understand, but maybe so.

Mr. COUDERT. Then the Maritime Commission could do what it likes with it and we have provided that it shall be covered into the Treasury so that nobody can touch it and waste it.

Mr. GORE. The gentleman is incorrectly informed there because the budget proposes a limitation of expenditure by the Maritime Commission.

Mr. HENDRICKS. Mr. Chairman, will the gentleman yield for a suggestion?

Mr. GORE. I yield.

Mr. HENDRICKS. I am sure, Mr. Chairman, that no Member would feel offended if the gentleman from Tennessee [Mr. GORE] simply declined to yield until he has finished his statement, at which time he could yield for questions. I am sure the questioning could be done then just as well, and I, therefore, suggest to the gentleman from Tennessee that he decline to yield until he has completed his statement and then he can yield.

Mr. GORE. Does the gentleman from Florida include our distinguished colleague the gentleman from New York [Mr. O'TOOLE], who is on his feet now at the gentleman's side?

Mr. HENDRICKS. I include everyone.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield.

Mr. O'TOOLE. I congratulate the gentleman from Tennessee [Mr. GORE] upon his ability to make the elephant jump.

Mr. GORE. I thank the gentleman for his compliment. And now, Mr. Chairman, I should like to go to the third claim, downward revision of the budget of the President.

On May 14, 1947, the President submitted to the Congress supplemental estimates of the budget or, in other words, a revision of certain items in the budget. I have his message here which is Public Document No. 252.

ONE POCKET TO ANOTHER

In this revision of budget items, the President made certain revisions upward and certain revisions downward in the Veterans' Administration. As a matter of fact, the revisions upward, to some extent exceed the revisions downward, but if you will notice in the report on the bill now before you, the committee charges to the budget all recommended increases but takes credit to itself for all reductions actually made by the President himself. Now, just what kind of rules of the game that is I do not know, but you will find it in the report. That represents no reduction by the Congress whatever. It represents reductions by the President in his revised estimates, and the President is given no credit for that, but he is charged with all the increases.

Now, I would like to go to the fourth one, Treasury cancellation of CCC notes. That is a sleight-of-hand attempt at bookkeeping. What happened? All the Members know that the Commodity Credit Corporation was authorized to borrow from the Treasury, and the Treasury was authorized to loan to the Commodity Credit Corporation funds to carry out the intent and legal purposes of the Commodity Credit Corporation. That money has been spent. It is already gone. It was spent in previous years, most of it even before this fiscal year. The President recommended in the budget that the Treasury be authorized to cancel the notes of the Commodity Credit Corporation. In order to try to show a saving, somebody had the bright idea that if it was just done in a deficiency bill it would somehow change the situation. It does not at all. It does not matter whether it is done in 1947, 1948, or 1949. It would not affect expenditures one dollar. The money has already been spent. To take that theory, the Republicans would be in the unusual position of trying to spend the money twice, and I know they would not want to do that. To claim that that is a reduction in the budget or even a saving, with either one of their two definitions, would be like my taking this dollar out of my right-hand pocket and putting it in my left-hand pocket and then charging my distinguished colleague from Kentucky, who sits so conveniently nearby, with the depletion of my right-hand pocket.

PAPER SAVING DESCRIBED

Now, one Government agency, the Treasury, holds the note of another agency of the same Government. It is listed in the budget with a double listing. It is listed as an asset of the Treasury and a liability of the Corporation. When we cancel the notes, we take the liability from the Commodity Credit Corporation and cancel the asset of the Treasury. It represents not one dollar in reduction of expenditures. The same thing could

be done, of course, and we have previously done it that way, by merely appropriating funds for the Commodity Credit Corporation with which to pay the Treasury, but, there again, we would be appropriating money out of the Treasury to another agency to make payment back to the Treasury. So that represents not one dollar of expenditure reduction.

Abolishing the Maritime Commission revolving fund: Now, there again they are dealing with funds which are assets and revenues of an agency of government. They merely transfer the receipts from the Maritime Commission into the Treasury. If we regarded the Maritime Commission or the Commodity Credit Corporation as agencies of some foreign government then we could count this as additional revenue or as additional expense, but since they are both agencies of the same Government, it represents no saving whatsoever.

Atomic Energy Commission, part-year appropriation. To show you that the committee did not even intend this to be a reduction I would just like to read from the report of the committee on the bill now before you. Here is what they say:

The committee have determined that funds should be provided for operation in connection with this important project on a part-year basis, additional funds to be provided during the early part of the next session.

In other words, we will make a showing for economy now and then early next session we will come in with a deficiency.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield.

Mr. McCORMACK. In other words, make a reduction now but not an economy.

Mr. GORE. Make a show of reduction.

Mr. McCORMACK. Yes; a show of economy.

PUT APPROPRIATIONS OFF

Mr. GORE. Contract authorization. Instead of appropriations for veterans' hospitals you will find that the budget recommended $30,300,000 for construction of veterans hospital facilities, the committee cut out the appropriation and wrote into the bill contract authorizations, and here is what the committee says:

The committee has approved the proposal set forth in the budget estimate for the construction of 15 new veterans' hospitals.

Now, you notice, they have approved the plan, they have approved the program but they say:

In eliminating $30,300,000 requested in the estimate as an additional appropriation to carry forward the hospital program the committee is able to report definitely that the program has not been retarded or delayed in any respect. The committee has been assured by representatives of the Veterans' Administration that sufficient funds in cash is now in hand and available to meet all possible need until—

Again—

at least the latter part of the fiscal year 1948, at which time funds can be provided.

In other words, again let us make a show of economy by postponing the day of appropriation until next year and we will bring in a deficiency.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. GORE. I want to accept the suggestion of my distinguished colleague from Florida; then I will yield.

Mr. OWENS. We get hungry once in a while.

Mr. GORE. The gentleman has my permission to go eat.

Then, there is substitution of contract authority for money already appropriated. Again the committee says—and I should like to read—you know the committee report really answers most of these questions in better language than I can. We have some clerks who are far more proficient in the use of the English language than I. I wish to read you about this item:

The committee has inserted in the bill a provision rescinding $50,000,000 with the understanding that funds will be made available if and when required in order that the following program may go forward without delay—

The committee has done what?—

has increased contract authorizations.

Obviously there is no reduction here, nor was any intended.

ANOTHER SUBSTITUTION

Mr. Chairman, the next to the last item is again a substitution of contract authorization for direct appropriations. To carry out the provisions of the Hill-Burton Hospital Act the President recommended an appropriation of $50,000,000. The committee struck that out and substituted contract authorization, not of just $50,000,000 but of $150,000,000; so instead of this being any reduction in expenditure, in all probability it will result in a considerable increase of Government expenditures during the year over and above the budget.

I would like to read again what the committee said. You know these committee clerks write very good reports.

The committee is firmly convinced that to insure against any impediment in the development of this program as rapidly as possible some firm provision should be made for Federal participation to whatever extent future developments may require during 1948.

The budget estimated that $77,700,000 would be needed in fiscal year 1948 to liquidate obligations of prior fiscal years. It now appears that only $30,000,000 will be necessary. The $47,700,000, or a sum thereabout, will not be spent, nor can it be obligated. This result has come about entirely without any effort on the part of the Congress.

LAUDS TALENTS FOR MISSING BOAT

The Congress has taken no action whatsoever to effect any reduction here. The Appropriations Committee merely "learned" that certain UNRRA funds set aside for reimbursement of the Maritime Commission for shipment of UNRRA supplies would probably not be fully used. Though the committee took no action to bring this situation about, nor in fact did anything about it, except to make inquiries, the report of the Independent Offices Subcommittee lists this as "saving." This is another indication of face-saving desperation.

DEFERRAL OF APPROPRIATION FOR VETERANS' PENSIONS

This is a "guesstimate." The committee report says, "No recommendation by the committee contemplates any reduction or change in any existing veterans' benefits." The budget estimated that compensation and pensions to veterans would amount to $2,221,915,000. The committee merely substituted its guess for the estimate of the budget and thereby claimed a reduction of expenditure to the tune of $50,000,000. Standards for veterans' pensions and compensation are fixed by law, and a guess that it will be either lower or higher will have no effect on the amount of actual expenditure. It is one thing to reduce appropriations for, say, a reclamation project, but quite another to guess-timate a fixed obligation.

ALLEGED REDUCTIONS IN SPECIFIC MARITIME COMMISSION BUDGET ITEMS

The budget recommended and contemplated a total expenditure of $280,200,000 by the Maritime Commission. The Independent Offices Committee Report claims to have reduced this amount by $73,200,000. It will be seen from the report, however, that a goodly part of this reduction is in ship reconversion which in actual practice results in approximately a net, or wash, operation, in that the sales price of the ships, which it is conceded are practically unsalable in present condition, amounts to approximately the cost of reconversion. Thus, we find here again a double listing, and properly so, in the budget—estimated cost of reconversion and estimated receipts from sale of ships, the two canceling each other out in the budget.

The committee action, however, would still have resulted in some reduction of expenditures had it not stricken from the bill the language recommended by the budget which would have limited ship construction by the Maritime Commission to ships for which the Maritime Commission had a commitment of sale. The basic law would require the purchaser to pay 50 percent of costs. The committee struck this restriction from the bill. The result will be that the Maritime Commission will build ships, bearing the entire costs, with or without commitment of sale. Without commitment of sale, the Maritime Commission will be left holding the bag—with ships in it. Only one recourse might be left to the Commission, and that would be charter—at a nominal rate, usually. It will be seen from the committee report, page 28, that $99,000,000 is authorized for new ship construction and betterment. The budget contemplates that one-half of the cost of ship construction would be borne by purchasers. So, the action of the committee with respect to the Maritime Commission may well result in an over-all increase of Government expenditure rather than a decrease. It is difficult to see how a reduction would result.

In order to complete the fiscal score, it is necessary to point out that the

House has thus far enacted contract authorizations exceeding budget authorization estimates by $328,425,000. The amounts contained in the two bills are as follows: The Federal Security Labor bill contained $150,000,000 in budget authorizations, and the Independent Offices Appropriation bill contained $178,425,000 making a total of $328,425,000.

I want to offer my congratulations to my astute Republican friends, the leaders of their party, on the admirable skill they have shown in keeping so far away from the goal they set for themselves. Not to have come near it once in so many trials shows the most splendid talents for missing the boat.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. TABER. Mr. Chairman, I rise in opposition to the pro forma amendment and ask unanimous consent to proceed out of order for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GORE. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. TABER. Mr. Chairman, it is apparent from the statement of my distinguished friend from Tennessee that the word "savings" is anathema to many on the minority side. The outstanding thing about the word "savings" is that we have not had from the minority side one single amendment offered on the floor to cut a single item that is presented here and not a single thing has been done by them for the purpose of saving money. The only thing we have had is a vigorous attempt on the part of the administration and of many of my friends on the minority side to keep up the appropriations to the level submitted in January by the President and the budget. My friend from Tennessee has criticized some of these items that we have referred to as possible savings. Let me say to you that the cut on refunds of taxes was made after hearings had developed, both in our committee and the Ways and Means Committee, that the amount in all probability would not be required. They had a great big setup in the Treasury Department for refund of excess profits taxes and they admitted before the Ways and Means Committee that that would not be required.

This item of $505,000,000 for ship sales is an item that our investigators demonstrated beyond question was going to be received by the Treasury of the United States from ship sales. It was not included in the President's estimate as a receipt. Therefore it is proper that we should take credit for pining it down and getting our figures on it so that it will appear in the Treasury of the United States and not be spent by the Maritime Commission in its revolving fund.

There is an item of $291,000,000, a downward revision of the President's budget figures, that my friend criticizes. Let me tell you just how that happened. That item resulted from an absolute demonstration by our investigators in the Veterans' Administration and the Maritime Commission that the funds were not going to be needed. It was based upon our efforts and our operations. There is no reason in the world why we should not take credit for it.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. I would just like to say in that connection that I think the gentleman from Tennessee will find that the officials of the Bureau of the Budget actually expressed their thanks to the committee investigators for the help they have given them all along the line in this connection.

Mr. TABER. So that we will have the whole thing together, this item of $50,000,000 that was taken out of the item for veterans' pensions was taken out as a deliberate reduction because, according to the figures submitted to the committee by General Bradley and the Veterans' Administration, that amount would not be needed out of the revised estimate that was submitted, and therefore they were able to take an actual cut and not a phony cut.

So that the gentleman from Tennessee may have a picture of this Commodity Credit Corporation item, I just want to call his attention to this fact.

Mr. GORE. Mr. Chairman, if the gentleman will yield, the gentleman started out to discuss this downward revision by the President and then jumped onto something else.

Mr. TABER. I finished with the downward revision on that particular item.

Mr. GORE. In the Veterans' Administration?

Mr. TABER. Yes; I finished with that. I just discussed the $50,000,000 cut at that time, because that all came out of the same pool.

Now, as to this Commodity Credit Corporation item, I think that we ought to have the full picture out in the front here. The President submitted a budget estimate of $830,000,000 for the Commodity Credit Corporation in January. That has been reduced as a result of investigation and the gathering together of information to $642,000,000. That is a reduction below the President's budget of $188,000,000. Now, that was submitted as an item that would be paid out of the Treasury in 1948, that $830,000,000 figure. The operations of putting it in the deficiency bill certainly resulted in whatever might be done about it being taken out of the 1947 budget, insofar as it was taken out.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. TABER. Not until I complete this item.

Mr. GORE. I just want to give the gentleman a figure.

Mr. TABER. I want to give the gentleman the rest of the budget figure before I come to that, and then I will yield to him.

I will say to the gentleman that the budget carried an item of cash that the Commodity Credit Corporation had, which they expected to have available for turning into the Treasury, of $429,000,000 at the end of 1948, which they claimed somehow or other was an offset to that other figure.

Now I yield to the gentleman.

Mr. GORE. For the sake of accuracy and in deference to my distinguished friend from Ohio [Mr. BROWN], I will say that the exact figure is $641,832,080.64.

Mr. TABER. I used the gentleman's figure of $642,000,000. I did not try to be accurate beyond his own table.

Mr. GORE. As is the custom in discussion, I used round figures.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. Does the gentleman from New York contend that the Committee on Appropriations actually saved the expenditure of $600,000,000?

Mr. TABER. I do not claim that there was any saving on that thing as a result of anything the Committee on Appropriations did. I have made no statement heretofore on that subject anywhere, but I am making this statement now so that the whole picture may be out in front and everybody may understand just what it is. I was telling you just what the picture was, and I am not going to tell anything more about it because I do not think anyone can dispute a word I have said.

Mr. EBERHARTER. I just thought the people of the country would like to know whether there is a saving.

Mr. TABER. There is not going to be an expenditure in 1948. That has been the contention and that has been the only contention that ever has been made with reference to this particular item. The only saving is the $188,000,000 that resulted from a reduction from $830,000,000 to $642,000,000.

Mr. GORE. If the gentleman will yield further, may I say to my distinguished chairman that that, too, represents no change in final figures as to expenditures because it is a double listing.

Mr. TABER. It does make a change in figures.

Mr. GORE. It is a net transaction, a wash operation.

Mr. TABER. I do not know about that, but it makes a difference of $188,000,000 in the amount of expenditures that were estimated in the original budget. I do not say that the Congress made that reduction or that anything they did had anything to do with it, but that is the picture.

Mr. GORE. In the accounting procedure, when you reduce the one, where there is a double listing, you raise the other a corresponding amount.

Mr. TABER. Yes, but when you reduce the amount that is to be charged up net by $188,000,000 you have that much reduction. That is about all there is to that story.

The committee abolished the $108,000,000 revolving fund of the Martime Commission. That is an absolute saving, because it puts the Maritime Commission on a basis where they have to come to the Congress for whatever

money they get. The committee has provided plenty of money for them to go on for next year, but they do not have the revolving fund to play with any more, and the condition has been cleaned up.

On this atomic-bomb business we do not know whether or not that is a cut. It depends on what the Atomic Energy Commission can justify when they come back here, if they do come back here next January. If they do come back, I hope they come back with some figures that some committee or somebody in the Congress can understand and get in shape. They did not come with any kind of figures when they came to us this time.

On the veterans' hospital item $30,000,000 was taken off that and put into a contract authorization because the money was not going to be spent in 1948, according to the Veterans' Administration, and that was a proper thing to take out. There is no question about that. That is perfectly clear.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. In every case where a contract authorization is substituted for an actual appropriation, where if the appropriation were actually made the expenditure could not be accomplished in the fiscal year following, it represents an actual saving, does it not, as against the Budget estimate of expenditure in that fiscal year?

Mr. TABER. That is correct.

Mr. KEEFE. That is the reason the Committee on Appropriations translated that into a contract authorization, so as not to interfere with the continuity of the program. Is not that true?

Mr. TABER. That is right.

When conditions are such that you cannot build because you cannot get the labor and material, and money is going to be saved as a result of the postponement of those operations because of the economic conditions in our country, and we are not going to have to spend as much money as we would have had to spend the way the thing has been set up here in the January budget, we are entitled to take advantage of that situation and protect the Treasury of the United States.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. EBERHARTER. Mr. Chairman, my understanding of it is this: The budget is an estimate. I will agree with the gentleman from New York that the Committee on Appropriations has cut the estimated expenditures, but the gentleman from New York will not say that you have saved the Government any money because you have authorized the expenditure of this money by contracts to be made.

Mr. TABER. Oh, we have saved money. The gentleman does not understand the picture. That is the trouble. Let me tell the gentleman what the picture is. I told it once but I will repeat it so that the gentleman will understand the situation better.

Where money cannot be spent because of economic conditions in the country and the probability is that we will be able to get by with reduced costs when the economic conditions change, as we know they will, and we can cut down the amount that will be appropriated for next year as a result of that situation, and we cut it down, we save money for that particular year; and in the next year if we have to spend money in all probability we will save money on the whole thing because it will be less. Now, that is the picture, and we might just as well realize it.

The same thing that I have referred to applies to that Hill-Burton bill which was in the Federal Security Agency appropriations. The UNRRA item that we took off of about $47,000,000 was in the President's budget for 1948 as a proposed expenditure, and the recovery of that fund was an absolute and straight-out reduction in expenditures.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. TABER] may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GORE. Mr. Chairman, I also ask unanimous consent that the time of the gentleman from New York [Mr. TABER] be extended another 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. TABER. Mr. Chairman, there have been in connection with the operations of the Committee on Appropriations so far actual reductions in appropriations and recoveries in one way or another as a result of our investigations and our operations, reductions in the President's budget estimate below the January figures which today total $3,702,326,029 to this date with the figures that are included in this bill.

In addition to that, there are large savings on rescissions which we have effected in connection with the bills and the appropriations for the Army, Navy, and Maritime Commission. I believe this will result in at least $500,000,000 reduction in the 1948 expenditures.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MONRONEY. Will the gentleman include in his extension of remarks, item by item and line by line, the reductions or savings which he claims?

Mr. TABER. Oh, I have it all prepared and I intend to do so. I am going to put it in the RECORD so that you can shoot at it. You can shoot at it because you do not like to save money.

Mr. MONRONEY. I like genuine savings, not phony ones.

Mr. TABER. Now, the whole picture all the way through has represented a tremendous job on the part of our committee. We have been into this thing very carefully and we have held hearings hour after hour. We have had no cooperation at all from the departments and agencies that have come before us but we have had to pull it out of them just like pulling a tooth without novocain. They tried in every possible way to keep up all the appropriations and to keep every chairwarmer and every loafer on the Federal pay roll that they could. We have accomplished a great deal, in my opinion, in trying to put the Government of the United States on a business basis. We will not at this time, this year, save the amount of money I would like to save or that many others would like to save, but we are on the trail of information in the various departments and agencies of the Government that will permit us in the years to come to make very large savings and put the Government of the United States on a sound and respectable basis.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ROONEY. I would like to ask my distinguished chairman of the Committee on Appropriations, since he just mentioned the words "business basis," what has happened to the legislative budget which was supposed to be completed, over 4 months ago, on the 15th of February? Just where is that legislative budget?

Mr. TABER. The legislative budget is just where it has been for a long time. The House passed it, representing its ideas. The Senate passed it, representing its ideas. We have not reached any agreement, and I do not believe we can; but we have gone ahead with the appropriation bills, and we have made cuts. I know that a very large percentage of the minority are opposed to making any cuts. There are exceptions over there among those patriotic men who believe that the salvation of the United States depends upon savings made in the Government.

Mr. ROONEY. Is it not the fact that for the fiscal year 1947, the minority party, which was then in the majority, cut every single appropriation bill that was sent down by the Bureau of the Budget? Is that not the fact?

Mr. TABER. Oh, they cut some of them but they never cut off enough to put the Government on a sound, honest, business basis. That is what I am trying to get at, and that is what we have got to do before we get through or we are going to be wiped out.

Mr. ROONEY. It would appear from the gentleman's remarks that no one ever made any cuts in the budget estimates until this year. The truth is that the cuts, instead of being new cuts, are, as demonstrated by the gentleman from Tennessee [Mr. GORE], phony cuts.

Mr. TABER. Well, the gentleman knows, if he had listened to what I have said, that we have claimed no phony cuts, but we have made cuts that have hurt, because they have thrown enormous numbers of leeches off of the Federal pay roll. I am sorry that the gentleman feels that throwing those leeches off of the pay roll is a phony cut.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Is it not a fact that any cuts that were made in the budget estimates submitted to the Seventy-ninth Congress were made by efforts of the Republican members on

the subcommittees and on the committee itself?

Mr. TABER. They contributed very largely to those cuts.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JENSEN. And is it not a fact, as the gentleman from South Dakota has just said, that those cuts were made by the Republicans in the Seventy-ninth Congress with a sufficient number of good, sound-thinking Democrats who helped us out and sustained our position?

Mr. TABER. That is correct.

Mr. CASE of South Dakota. And that additional cuts which the Republicans approved were resisted.

Mr. TABER. Oh, continuously resisted.

I just want to call attention to another figure before I finish. On the deficiency bills that have been presented to us the record of savings that we have made totals $282,590,767. The over-all saving that we have made runs to very large figures, not as large as I wish, but nevertheless a first-class start toward putting the Government of the United States on an honest and a businesslike basis.

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Minnesota is recognized for 5 minutes.

Mr. BREHM. Mr. Chairman, I make a point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty-five Members are present, a quorum.

The gentleman from Minnesota is recognized.

Mr. H. CARL ANDERSEN. Mr. Chairman, it comes with mighty poor grace on the part of anybody on the minority side of this House to get up here and talk about economy. I listened to the speech given by the gentleman from Tennessee [Mr. GORE]. I sought unsuccessfully for an opportunity to ask him this one question: Did he ever on this floor this year vote for a single dollar's reduction or for any amendment offered by any Member of the House from the majority side to reduce spending? His answer to that would have been "No" and had to be "No".

I ask also of the gentleman from New York [Mr. ROONEY]: Does he not recall the millions of dollars that he tried to add to the labor and Federal security bill? Does the gentleman recall those items?

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. Certainly.

Mr. ROONEY. The gentleman surprises me. I thought he rose to explain to the House what happened yesterday with regard to the tax reduction bill.

Mr. H. CARL ANDERSEN. Certainly I will be glad to explain that. It is simply because the spenders on the Democratic side have resisted so well the efforts of the Republican Party to show a real saving that I personally could not conscientiously vote for a reduction in taxes at this time. I have no apology to offer for my voting to sustain the veto. Our Treasury needs the income if we are to cut our national debt.

You people ridicule the efforts of the Republican Party to try to effectuate real economy. We at least are trying to do the job of cutting down the expenses of government. You have not helped us in the least in our efforts to do so.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. No, I regret that I must proceed and cannot yield at this point, Mr. Chairman.

The CHAIRMAN. The gentleman declines to yield.

Mr. H. CARL ANDERSEN. I yielded to the gentleman from New York because I mentioned his name, I might say to the gentleman from Pennsylvania [Mr. GROSS].

I repeat, Mr. Chairman, it comes with mighty poor grace from any member of the minority side to stand up here and talk about economy. Where have we ever seen any efforts upon the part of the Democrats to economize? Had we the cooperation from the minority our Nation could justly expect and had we also cooperation, instead of ceaseless opposition, from the Federal departments and bureaus, we would today have effectuated the six billion cut below the President's budget. Instead of cooperation, we see the Democrats, as illustrated by the gentleman from Tennessee [Mr. GORE], fight at every turn our efforts toward making savings. Now this same gentleman attempts to belittle the nearly $3,000,000,000 reduction the Republican Party has accomplished. You know as well as I do that the entire Democratic side voted for the motion to recommit which would have added nearly $200,000,000 to the agricultural appropriation bill simply because you Democrats did not have the intestinal fortitude to say to your farmers that those farmers must contribute toward economy as well as every other segment of our population if we are going to achieve a real balanced economy in this Nation. I had that intestinal fortitude and have also gone against my party, the Republican Party, on H. R. 1, because I feel they are making a mistake in asking now for a tax reduction. However, you people do not seem to care whether the lid goes off or not. My farmers want to do their share, and so do yours. As long as we keep our triple A committees intact, farmers are willing, most of them, to give up the payments.

Yes, Mr. Chairman, it is due to the action on the Democratic side in trying to prevent the Republicans from making worth-while cuts in these budgets that I personally did not feel that I could conscientiously vote to do anything but to try to kill any tax-reduction bill that came before the Congress at this time. If we could have saved the six billions originally aimed at, our Treasury could then have stood the drain called for by H. R. 1.

Mr. GROSS. Mr. Chairman, will the gentleman yield.

Mr. H. CARL ANDERSEN. I yield to the gentleman from Pennsylvania. I regret my inability to yield previously.

Mr. GROSS. Are the people of the gentleman's congressional district in favor of a reduction in taxes?

Mr. H. CARL ANDERSEN. The people of my congressional district are honest, substantial, and common-sense people who do not want to see communism spread throughout the world. I feel those people know that above all——

Mr. GROSS. Answer yes or no.

Mr. H. CARL ANDERSEN. I am answering the gentleman. My people know that above all we must have a strong financial foundation under this Government of ours if we are to survive, and be able to resist any attacks upon our form of government. My people, most of them, I believe, are opposed to cutting taxes under circumstances presently prevailing.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from New York.

Mr. EDWIN ARTHUR HALL. May I say to the gentleman from Minnesota that the people of his congressional district know that he is conscientious and that he is absolutely fearless in his decisions.

Mr. H. CARL ANDERSEN. I thank the gentleman from New York. Mr. Chairman, in conclusion, I want to repeat that it comes with mighty poor grace for anybody on the Democratic side to get up here and talk about economy in government.

Mr. KEEFE. Mr. Chairman, I move to strike out the last two words, and I ask unanimous consent to speak out of order and for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. HENDRICKS. Mr. Chairman, reserving the right to object, and I am not going to object, we have discussed this bill with the majority leader, and we thought we could finish it early; therefore I hope there will be no further requests for additional time or to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Mr. Chairman, I regret that due to the insistence of the minority side the distinguished gentleman from Tennessee has seen fit to precipitate an argument out of order and little related to the pending resolution in order that he might again, as he has done so frequently in the past, advise the people of America, as he smiles and claps his hands, how pleased he is to speak for the minority and proclaim that the Republican Party has not been able to effect savings to the extent that it thought it could. what a great position for a Member of Congress who has the welfare of the people of this country and his country at heart to take.

I ask the gentleman from Tennessee as he sits here, what is his purpose in getting up here time after time and telling the people that the Republican Party

has not been able to save as much money out of the Federal Treasury as it said it would? What is the purpose of this performance?

Mr. GORE. Mr. Chairman, will the gentleman yeld?

Mr. KEEFE. Yes. What is the gentleman's purpose?

Mr. GORE. My purpose is to give to the people that to which they are entitled, the truth; and, further, my purpose is to prevent the phony claims of economy, which in reality effect not one dollar in reduction of Government expenditures, from going unexposed and thereby serve to mislead the people. I am trying to keep the record straight, and I protest sleight-of-hand bookkeeping.

Mr. KEEFE. Does the gentleman believe in economy?

Mr. GORE. I certainly do, but not the wrong kind.

Mr. KEEFE. Has the gentleman ever voted for economy since he has been here?

Mr. GORE. Yes.

Mr. KEEFE. Can he point to a single vote he has ever made in the interest of reducing appropriations?

Mr. GORE. Many, my friend.

Mr. KEEFE. Well, I would like to have the gentleman in his extension of remarks collect them and point them out, just as he asked the gentleman from New York to extend his remarks with particularity.

I came here in the same year that the gentleman from Tennessee did, and I have watched his work on this floor ever since he has been here. I do not have a recollection of a single time that the gentleman from Tennessee has not taken a militant position in favor of the New Deal. It has always been to either get the appropriations requested or get larger and bigger and better appropriations, and I think it comes with poor grace from the gentleman from Tennessee, above all people, to stand here repeatedly on the floor of this House and clap his hands and cheer because the Republicans have not been able to save the amount they expected to save when they adopted a provision in the House projecting a $6,000,000,000 cut below the President's budget. It seems to me that that is a perfectly absurd position to take, especially when in this Congress, in bill after bill, amendments have been offered, to increase appropriations. I have a recollection of two supply bills to which the gentleman from New York [Mr. ROONEY] offered one amendment after another to increase the amounts provided for in the bill by the Committee on Appropriations. I do not recall the gentleman from Tennessee ever voting any other way but to increase these appropriations. I also know that he also voted to recommit these bills in order that they might get more money to spend for these agencies of Government.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from New York.

Mr. ROONEY. Is it not true that the very amendments that I offered in the House during the course of consideration of the two supply bills to which the gentleman just referred were inserted in the Senate, and that that is the way the matter now stands, and that the gentleman, and whoever else is responsible, has failed to call a meeting of the conference on the Labor-Federal Security bill for over a month; is that not a fact?

Mr. KEEFE. That is not a fact, and the gentleman knows it is not a fact, and his present statement is about as inaccurate as most of the statements that he makes on this floor, except perhaps those that are prepared for him to read down here in the well of this House by the departments and sent up here. Now, the fact of the matter is, everybody on this floor knows that the gentleman from New York is a mere mouthpiece for the departments downtown, and that he is the one who distributes and passes out their speeches for the minority Members to get up here and parrot on the floor of the House. He has no idea of economy and never has had, and has resisted and fought every effort upon the part of the majority to try and economize and save any money in the expenses of the Government.

Mr. GORE. Mr. Chairman, if the gentleman will yield further, my distinguished and able friend from Wisconsin who, as he says, took the oath of office the same day I did, has undertaken to reveal my record.

Mr. KEEFE. Well about the same time, I would say to the gentleman. I do not know whether it was the same day or not; I think it was.

Mr. GORE. Indeed it was. He and I have been very warm friends——

Mr. KEEFE. And I looked for different things from the gentleman at that time, I will say. I thought he had some great independence of spirit and great independence of thought, and I thought he had the courage to stand up here in the well of this House and fight for reductions of expenditures in government, the very thing which I knew in his heart he believed and which he believes in today; that he had the courage to stand up and tell the things which I know he believes in, because I have talked with him a good many times and I have great admiration for him.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Tennessee.

Mr. GORE. At that time, as we were freshmen, I, too, had high hopes for my distinguished colleague, and he has fulfilled, I am happy to say, the highest aspirations and anticipations I had for him in having a great, useful, and honorable career.

Mr. KEEFE. That is fine. I am glad to have the gentleman say that. I think the gentleman has a great and honorable career. It all depends, however, on the point of view. It depends on the point of view; is not that true?

Mr. GORE. I distinctly recall the occasion in 1939, as some of my friends here will recall, when I made my maiden speech in the Congress, which saved several hundred million dollars, and the distinguished gentleman from Wisconsin, my friend, strode across the aisle in his manly way and clasped my hand and congratulated me on that move.

Mr. KEEFE. Yes; I remember that day well, as do a great many other Members of this Congress. I remember when the distinguished gentleman from Tennessee and the distinguished gentleman from Oklahoma [Mr. MONRONEY] at that time got their heads together and had some independence, and I remember how the gentleman told me later that he was called down to the White House and the riot act was read to him by the President himself for making that speech. Ever since that time I have watched the metamorphosis take place, so that the gentleman has lost the independence that I strode across to congratulate him on having. I have watched the gentleman from Oklahoma, the distinguished friend of the gentleman from Tennessee, go right along hand in hand, until finally we see the picture here now, that these two fellows whom at that time I congratulated on their independence and because they had the courage to stand up and speak their convictions have all the time since followed the New Deal. I regret to see it. I regret to see my friend from Tennessee, who is a brilliant gentleman, and who does know better, stand up here day after day and belittle himself and belittle the party for which he speaks by applauding and laughing gleefully because as he contends we are not able to effect the savings that we thought we might be able to effect.

I say to the gentleman that he is going to have to watch some other things, too, that I see while sitting in the deficiency committee and noting the appropriation estimates that are coming up now for supplementals and deficiencies. Oh, what a magnificent future unfolds, what a great thing it is for these departments to be turned down by the Congress in their regular appropriations and then devise their ways and means through deficiency and supplemental estimates to wipe out all the savings the Congress has put into effect.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Wisconsin be extended for 3 minutes.

Mr. KEEFE. I do not want it from the gentleman from New York.

Mr. ROONEY. I would like to ask the gentleman another question.

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent that all debate on this paragraph do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read as follows:

FEDERAL POWER COMMISSION

Salaries and expenses: For expenses necessary for the work of the Commission as authorized by law except for the work authorized by the act of June 28, 1933 (33 U. S. C. 701j), and sections 10 and 12 of the act of December 22, 1944 (Public Law 534) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, including the health service program as authorized by the act of August 8, 1946 (Public Law 658);

payment of claims under part 2 of the Federal Tort Claims Act of August 2, 1946 (Public Law 601); purchase of five and hire of passenger motor vehicles, $3,390,000; of which amount not to exceed $20,000,000 shall be available for personal services in the District of Columbia exclusive of not to exceed $10,000 for special counsel and temporary services as authorized by section 15 of the act of August 2, 1946 (Public Law 600), but at rates not exceeding $50 per diem for individuals.

Flood-control surveys: For expenses necessary for the work of the Commission as authorized by the act of June 28, 1938 (33 U. S. C. 701j), and sections 10 and 12 of the act of December 22, 1944 (Public Law 534), including contract stenographic reporting services; $266,500, of which amount not to exceed $114,900 shall be available for personal services in the District of Columbia.

Mr. ROONEY. Mr. Chairman, I move to strike out the last word and ask unanimous consent to speak out of order and revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, I will take advantage of this time to say that the tirade of my distinguished friend the gentleman from Wisconsin [Mr. KEEFE] just a while ago, reminds me of an Old Mother Hubbard which covers everything and touches nothing.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I gladly yield.

Mr. KEEFE. The gentleman as usual is entirely wrong in his quotation. He should refer to it as a kimono and not an Old Mother Hubbard.

Mr. ROONEY. Well, the gentleman would know more about kimonos and Mother Hubbards. The gentleman would know better than I whether it is an Old Mother Hubbard or a kimono.

In any event, in his crusade to wreck the Labor Department and its functions the gentleman wrote up and brought to the floor of this House a bill—the Labor-Federal Security appropriation bill—which by its terms cut the funds for operation of the Labor Department by about 44 percent. Today he complains that at that time I offered a number of amendments which would restore such important functions in the Labor Department as the Division of Labor Standards which were being outlawed by the gentleman from Wisconsin. I say to the gentleman that, representing a district, as I do, in Brooklyn—and the gentleman has many times in the past called me the gentleman from Brooklyn, while to me he still is the gentleman from Oshkosh—I will not at any time sit idly by and not raise my voice in protest at the crusade of the gentleman from Wisconsin to wipe out important functions in the Labor Department.

The gentleman from Wisconsin did not ask me whether I had voted on occasions for economy measures. I do not know why he reserved that question for the distinguished gentleman from Tennessee [Mr. GORE] but he knows full well that whenever there is contained in an appropriation bill an item which is wrong, which is improper spending, which is an item in which money can sensibly be saved by the Congress, that he and every member of the House Committee on Appropriations, whether in the majority or in the minority, can depend upon my vote in support of that proper economy, but never for senseless economies such as proposed by the gentleman from Wisconsin.

The gentleman and his majority colleagues cut $370,500 in the Labor Department-Federal Security Agency appropriation bill from the amount asked for the staff and servicing functions of the Office of the Secretary of Labor. I offered an amendment in protest of this slash, requesting the amount contained in the President's budget. The other body restored $47,400 of these funds.

The gentleman from Wisconsin and his majority colleagues cut $718,700 from the same bill for continuing the Division of Labor Standards. They made no provision whatever for the continuance of the Division of Labor Standards. My distinguished colleague, the gentleman from Rhode Island [Mr. FOGARTY], offered an amendment to restore to the bill the money for this purpose. The other body restored $400,000 of these funds.

The gentleman from Wisconsin and his colleagues on the majority side cut $598,400 for expenses necessary to enable the Secretary of Labor to exercise the authority vested in him to act as mediator and to appoint Commissioners of Conciliation in labor disputes, and virtually wiped out the entire supervisory and administrative staff of the Conciliation Service. They reduced the ability of the Labor Department to prevent strikes. I offered an amendment in the House opposing such action. The other body restored $120,000 of these funds and provided for the supervisory and administrative staff positions as I had advocated.

The gentleman and his majority colleagues cut $528,600 from the Labor Department-Federal Security Agency bill for the apprentice training program. I offered an amendment to restore funds. The other body restored $184,400 of these moneys. I also offered an amendment to increase the amount allowed by the gentleman from Wisconsin for the Wage and Hour Division and the other body subsequently restored $99,200 for that agency.

So you see, Mr. Chairman, even the other body disagrees with the gentleman from Wisconsin and he had the boldness a while ago to attack me for exercising my right to offer amendments which the other body subsequently found were justified.

Mr. MILLER of Connecticut. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent that debate on this paragraph close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MILLER of Connecticut. Mr. Chairman, I wish to direct my remarks to the section which has just been read, namely, the appropriations for the Federal Power Commission.

I was pleased to learn from reading the report that the Committee on Appropriations had refused to give to this agency the sums recommended by the Budget Bureau. I thought of proposing an amendment to the Federal Power Section to reduce their appropriation by $1 not as a pro forma amendment, but rather as a token amendment to indicate to the Federal Power Commission that there were some members of the House who were dissatisfied with the way they are spending money and who propose to watch their expenditures closely in the years to come.

It is my contention that the Federal Power Commission has engaged in and is engaging in unlawful and uneconomical activities. In an attempt to correct that situation, I introduced last April two bills proposing amendments to parts 1 and 2 of the Federal Power Act. Hearings will open on those amendments before a subcommittee of the House Interstate and Foreign Commerce Committee next Monday.

Briefly, the bills have two objectives.

First, to deny to the Federal Power Commission control over manufacturing establishments producing electricity for their own consumption, and, second, to redefine navigable streams and interstate commerce in such a manner as to restrict the Commission's jurisdiction over utilities actually transmitting or selling power for transmission across State lines.

I previously told the House of the activities of the Federal Power Commission when they sought during this past year to force their jurisdiction upon five small Connecticut manufacturing plants which were generating electricity for their own use only. The Commission's activities, in my opinion, not only are unlawful in that they violate the letter and spirit of the Federal Power Act, but they are uneconomical in that the extension by the Commission of its jurisdiction can be effective only if it has increased personnel and increased facilities. They, in turn, will result in duplication of jurisdiction of State utility commissioners. It was the intent of Congress to set up a Federal Power Commission with limited authority to fill the gap that existed in the regulation and control over interstate transmission of electricity. State utility commissioners of this country are gravely concerned with respect to the encroachment of the Federal Power Commission in the field of local regulation and control.

It is interesting to observe that when this legislation was passed in 1935 the Congress completely rewrote every section of that bill to prevent such duplication. When the substitute language of the bill was finally passed by the House, Senator Wheeler in the other body made this rather interesting comment, speaking of the committee bill which had then passed.

He said:

The revision has also removed every encroachment upon the authority of the State. The revised bill imposes Federal regulation only over those matters which cannot be effectively controlled by the State. The limitation of the Federal Power Commission's

jurisdiction in this regard has been inserted in every section in the bill, to prevent expansion of Federal authority over State matters.

That is all I am asking in the amendments I have introduced, that we definitely restrict the Federal Power Commission to what was admittedly the intent of Congress.

I hope my colleagues will interest themselves in the hearings and in the subject matter that will be developed during these hearings and watch the operations of the Federal Power Commission in the year to come.

I appreciate what the Appropriations Committee has done to at least stop them from their rapid expansion and interfering with the function of the State utility commissioners.

To meet the situation adequately, I introduced the two bills to which I referred earlier in my remarks, namely, H. R. 2972 and H. R. 2973. These bills amend the Federal Power Act in certain particulars. These bills have been referred to the Committee on Interstate and Foreign Commerce for consideration, and later I hope the bills will be favorably reported to the House for further consideration and action. In general terms, these bills restate what it is believed was the true intent of Congress as to the proper limits of the jurisdiction of the Federal Power Commission when the Federal Power Act was originally passed in 1920 and again amended in 1935.

The Federal Power Commission is a creation of the Congress of the United States. Its powers were delegated to it by the Congress, and such powers may be enlarged, restricted, or taken away as the Congress deems wise to do in the public interest.

The Federal Power Act was last amended in 1935. Twelve years have since passed, which is too long for most congressional acts to go unreviewed. I feel sure that during these years this act has at times been administered in a manner never intended and by methods not discernible from the annual reports of the Federal Power Commission to Congress.

At Windsor Locks, Conn., there are located five small manufacturing companies along the Connecticut River. Each purchases water from the Windsor Locks Canal Co. Two of these companies are manufacturers of paper; one is a manufacturer of sweaters, underwear, and yarns; one is a manufacturer of machine chucks; and one is a manufacturer of casters and handling equipment. All of these companies use the water which they lease or purchase from the canal company for manufacturing processes and purposes. In addition, these companies use a portion of the water purchased to generate a small amount of electric energy for lighting or power purposes in their plants. The amount of electricity is small and none of it is sold by any of these companies to anyone else. In fact, the total generating capacity of all of these companies from the water purchased is approximately 1,100 horsepower. Each of these companies is a small manufacturing concern of the family-ownership type, some of whom have been in business at their present location for more than 100 years. However, I was advised that in the summer of 1946 the Federal Power Commission notified these companies that they were operating unlawfully and insisted that they take out a license under the Federal Power Act. This, despite the fact that the provisions of a license under the Federal Power Act are not appropriate for one other than a public utility. After correspondence and conferences with the Commission's staff, I understand the Commission was willing, in March of 1947, to at least postpone its assertion of jurisdiction over these companies, although in a letter from the Chairman of the Commission, dated March 12, 1947, addressed to me, the Commission still asserts that it has not only the right but the obligation to require any company located in or along a navigable stream, that is using the water of the stream to generate electric energy for its own purposes, to take out a license under the Federal Power Act.

The Commission also claimed jurisdiction over the Windsor Locks Canal Co., which owns and operates the dam at Windsor Locks, Conn. The authority to erect this dam can be traced to May 1824, when the predecessor of the Windsor Locks Canal Co., the Connecticut River Co., received a charter from the General Assembly of the State of Connecticut which authorized it to lock the falls at Enfield, Conn., on the Connecticut River, and to construct a canal on either bank of the river near the falls, around 1830. In 1845, when a railroad line was constructed from Hartford to Springfield, Mass., the business of the Connecticut River Co. was seriously affected and about this time the company began to lease land and water to various industries which were then being established in Windsor Locks. The business of the company from that time to date has consisted principally of the sale of water to these industries. However, despite the fact that the Windsor Locks Canal Co. has been operating under valid State authority for more than a century, the Federal Power Commission has claimed that it is doing so unlawfully because it is not doing so pursuant to a license from the Commission. It is the position of the Commission that despite the existence of complete State authority, nevertheless, a Federal license is also required.

Hence it is appropriate at this time to examine such power and authority as were originally delegated to the Commission; the interpretation the Commission has placed upon its power and authority; the additional power and prerogatives the Commission has assumed so to determine if the Commission is performing properly the functions delegated to it.

The operations of the Federal Power Commission in recent years make it apparent that Congress must specifically define the area in which the Federal Power Commission may operate. These bills are designed to so define the limits of jurisdiction of the Federal Power Commission and thereby let the Congress, the Commission, and the people know exactly where they stand. The Federal Power Commission will never, in my opinion, impose limitations on itself; rather it reaches out in an attempt to grab power for itself by asserting jurisdiction over companies and activities never intended by Congress. It interprets, or rather misinterprets, the laws of Congress in such a way as to give it the broadest possible field of jurisdiction without restraint. As a result, its activities are not only unlawful in that they violate the letter and spirit of the Federal Power Act, but they are uneconomical in that the extension by the Commission of its jurisdiction can be effected only if it has increased personnel and increased facilities and results in duplication of jurisdiction of State utility commissions. Therefore, I should say at the outset that these bills, when passed, will result in economies that will be of advantage to all taxpayers. These bills were prepared and introduced as a result of a conviction on my part that the Federal Power Act is being administered in an uneconomical and expensive manner, and in a way which Congress never intended. As I have stated, the Federal Power Commission has sought to engage in activities never intended to fall within its domain, which activities do not promote the public interest through the development and use of hydroelectric power, but serve only to waste the taxpayers' money.

The Federal Power Commission was created in 1920 at the time of the passage of the Federal Water Power Act. It has, therefore, been in existence for a period of 27 years. The Commission has grown from a small advisory organization to a large administrative bureaucratic commission which is constantly and energetically seeking to enlarge its personnel and its powers. The Commission in its budget requests this year asked for a 47 percent increase in its appropriation over the expenditures for the last year for salaries and administrative expenses.

While the name Federal Power Commission would indicate to those who are unfamiliar with its ramifications that it confines itself to the regulation and control of interstate power operations, a worthy and desirable objective so stated by the Congress, I assure you that this is not the case. The Commission has gone far afield of the interstate power business. While I feel certain that such was not the intent of Congress, I assert that if others do not share my belief, then we should express the right intent by these amendments.

My purpose is to point out that it was the intention of Congress to set up the Federal Power Commission with limited authority to fill a gap that existed in the regulation and control of interstate transmission of electricity and gas, and that they have gone far beyond that function. The State utility commissioners of the various States are gravely cornered with respect to the encroachments of the Federal Power Commission in the field of local regulation and control. Now, the most recent extension of the long and grasping arm of Federal Power Commission control is in the field of industrial manufacturing. It is hard to conceive that the Congress ever intended that the Federal Power

Commission would extend its control over small manufacturers located along the rivers and streams of the Nation simply because they use the water from such streams for manufacturing purposes. However, as I will more fully illustrate later, so insatiable is the appetite of the Commission that it now proposes to regulate such industries in part.

The Federal Power Act of 1920 is now part I of the Federal Power Act. Parts II and III of the act were added when it was amended August 26, 1935, by the Public Utility Holding Company Act, Senate bill 2796, title I of which provided for the control and limitation of public utility holding companies operating in interstate commerce, and title II of which provided for the regulation of transmission and sale of electric energy in interstate commerce, for the amendment of the Federal Power Act, and for other purposes.

It is obvious that when in 1935 Congress was considering Senate bill 2796 and its predecessor Senate bill 1725 it was considering a bill dealing with public utilities and public utilities engaged in the sale or transmission in interstate commerce of electric energy. It was not considering a bill dealing with manufacturing companies who might generate hydroelectric energy for their own use. Nor was it considering a bill that concerned those public utilities operating within a State which might generate hydroelectric energy for consumption within the State of generation.

However, the Federal Power Commission has taken a different view of its authority. In a letter dated March 12, 1947, addressed to me, the Chairman of the Commission in answer to my question concerning the policy of the Commission with respect to the licensing of industrial companies wrote as follows:

> You ask what the policy of the Commission will be in the future on companies similarly situated, insofar as obtaining a Federal license is concerned. The policy pursued by the Commission with respect to the Windsor Locks Industrial developments is exactly the same policy which it has pursued with respect to other industrial concerns similarly situated, considering each situation upon its merits. The Congress by section 4 (g) of the Federal Power Act has imposed the statutory obligation upon the Federal Power Commission to make investigations of the occupancy of public lands, reservations, or streams for the purpose of developing electric power. No distinction is made between manufacturing plants and public utilities in this connection. In compliance with this obligation, the Commission in 1937 began investigations taking first those concerns developing over 500 horsepower as a general and practical guide in proceeding in the investigations.

The field of Federal Power Commission jurisdiction has, as a result of a decision of the United States Supreme Court in 1940, holding nearly any stream to be navigable, been tremendously expanded. Remember that all that it now takes to subject some small manufacturer who is located along a stream to an expensive inquiry is the assertion by the Commission that the stream is or may be navigable. To back this assertion up, the Commission need show only that over 100 years ago several Indians went down the stream in a canoe or that logs were floated down. The investigation is started and the manufacturer either accepts the claim that the stream is navigable or he is involved in an expensive lawsuit. If he accedes, then the Commission insists that he take out a license.

Well, what does this mean? It means just this. It means that this person who has been operating his business lawfully for some years must file an elaborate application form with the Federal Power Commission, which incidentally is not adapted to a manufacturer, since to allocate accounting-wise for receipts from the use of the water power is an impossible task. Representatives of the Commission then will visit his plant, make an audit of his accounts, examine and analyze his books, cost records, engineering reports and other records pertaining to his application for a license. If a license is granted, it is granted subject only to conditions established by the Commission. For example, some of these conditions require that his accounts be regulated by the Commission, principally through a requirement that reserves be maintained, according to the rules of the Commission, for depreciation, repairs, and so forth, and for the amortization of the cost of his investment. An annual charge is levied, and finally, at the end of the license period, the Federal Government can appropriate his project, whether it is located in the State of Connecticut or any other State, not by paying the fair value thereof but by paying what the Commission chooses to call his net investment in the project, which is the original cost thereof less certain deductions. If this net investment is lower than the fair value of the project at the time of its acquisition by the Federal Government, this is just too bad for the licensee. Of course, all during the license period the licensee must battle with the usual reports and red tape which surround the administration of this particular Federal agency.

My proposed amendments to the Federal Power Act will not serve to oust the Federal Government from water power sites, which are properly a subject of Federal control or Federal ownership. I cannot state what the Federal Power Commission has done, or may do, in States other than Connecticut. What they have done, or may do, in Connecticut I can assure you will serve no general public interest. My proposed amendments further will not serve to prevent the development of any water power sites that should be developed under Federal domain.

This is no small problem in my State. Take, for example, the Thames River in Connecticut. The water-shed of this River covers part of the south central part of Massachusetts and most of the eastern part of Connecticut, draining into Long Island Sound. The river itself is located wholly within the State of Connecticut. Irrigation is not a factor. Navigation is possible approximately 20 miles up to Norwich, Conn., but has never been a factor above that city. There are no dams from Long Island Sound to Norwich. It being a tidal estuary, there is no water-power development upon the main stream. The tributaries of the Thames, however, have been highly developed for industrial water power. This is principally by small local manufacturing companies. There are a few hydroelectric plants owned by power companies but they are all relatively small, the largest being three thousand horsepower. Prior to the introduction of transmission of electricity, power developed by the various manufacturers along the tributaries was used mechanically in textile mills and other plants in the manufacture of a variety of commodities. Auxiliary steam power was installed in many of the mills. Now most of the mills, instead of generating mechanical power, generate for their own use electric energy, which, however, must be largely supplemented by public utility companies operating in the vicinity. Certainly Congress did not intend, when it adopted in 1920 the definition of navigable waters, that such definition should be so extended that the Federal Power Commission could use this definition as a springboard for its assertion of jurisdiction over numerous small manufacturing companies located on small streams which never had any commercial navigation value.

I would like to direct your attention to House bill 2973, a section-by-section analysis of which is as follows:

SECTION 1

Section 2 of title I of the Federal Power Act, approved June 10, 1920, and last amended August 26, 1935, contains the definitions of the act. The one definition which this bill seeks to amend is the definition of navigable waters contained in subsection (8) of section 3 of the act. The definition of navigable waters has been amended in the following particulars:

(a) The present definition includes in navigable waters, waters which either in their natural or improved condition and notwithstanding interruption in the navigable parts by falls, shallows, or rapids are used or are suitable for use for the transportation of persons or property in interstate commerce. The proposed amendment limits the present definition by: First, requiring that the navigability of a stream be determined at the time of the inquiry as to its navigability and not at any indefinite period in the future; second, requiring that the waters in question be generally and commonly used or have a reasonable probability of being so used rather than being waters which are used or could be made suitable for use; third, requiring that their use in interstate commerce be of a substantial character; fourth, requiring that the use be of waters in their natural condition or in an improved condition which improvement is then proposed rather than in some improved condition which in the future might possibly be proposed or made; fifth, requiring that any proposed improvements to make waters navigable cost an amount commensurate with the commercial benefits to be derived from the proposed improvements rather than having no economic yardstick for the cost of improvements; sixth, eliminating from navigable waters those parts of streams which someone has recommended to Congress should be improved but which

Congress has not in fact authorized for improvement; seventh, requiring that congressional authorization for improvement of a stream be an authorization to improve the stream for the purpose of furthering navigation in interstate commerce on the stream before such stream can be considered navigable, rather than an authorized improvement which has no relation to navigation.

In my opinion, this amendment provides a more reasonable definition of "navigable waters" than that contained in the present act and one which will be adequate to prevent private encroachment on the actual needs of commercial navigation on the waters subject to the jurisdiction of Congress and yet at the same time one which will prevent the extension of Federal regulation over persons developing electric power for any purpose along any stream when such regulation has no substantial relation to the regulation of navigation and interstate commerce. I believe that the regulation of the development of hydroelectric power is properly a matter subject to State jurisdiction, except in those cases where such development directly interferes with existing interstate commerce of a substantial character or probable interstate commerce which could be developed on the waters in question through a then-proposed expenditure of funds which would be commensurate with the commercial benefits to be derived therefrom.

SECTION 2

This section amends subsection (a) of section 23 of the act in three particulars. Subsection (a) at present deals with the protection of existing rights, provides for permissive application for licenses under the act, and deals with valuations of constructed objects. The proposed amendments to this subsection are concerned only with the provisions concerning the protection of existing rights.

The present subsection provides that the provisions of part I of the act shall not be construed as affecting any permit or valid existing right-of-way heretofore granted or as confirming or otherwise affecting any claim or authority heretofore given pursuant to law. The phrase heretofore granted is vague and is stricken out. Supposedly it means granted prior to June 10, 1920, the date of the approval of the Federal Water Power Act, and so this subsection is amended to state specifically that the provisions of part I shall not affect any permit, valid existing right-of-way, claim or authority granted prior to June 10, 1920. The present subsection protects any such rights given pursuant to law. Here again the term is not only vague but ambiguous and so the act is specifically amended to make it clear that any rights granted prior to June 10, 1920, pursuant to applicable State or Federal law will not be affected. Lastly, this subsection is amended to make it clear that if pursuant to any State or Federal law granted prior to June 10, 1920, a person has constructed any dam, water conduit, reservoir, powerhouse or other works incidental thereto, the provisions of part I of the act are not applicable thereto.

SECTION 3

This section amends subsection (b) of section 23 of the act in seven particulars. Subsection (b) of the act among other things makes it unlawful for the purpose of developing electric power to construct, operate, or maintain any dam, water conduit, reservoir, powerhouse, or other works incidental thereto—hereinafter called project—across, along, or in any navigable waters without a license from the Federal Power Commission or without a permit or valid existing right-of-way granted prior to June 10, 1920. This prohibition is being asserted by the Commission against any manufacturer or any person whether or not he sold any power so developed and whether or not he sold it in interstate commerce. The first proposed amendment is to insert in the third line after the words "for the purpose of developing electric power" the words "for the sale thereof at wholesale in interstate commerce." This amendment would eliminate the necessity of a manufacturer as contrasted to a public utility from becoming licensed by the Federal Power Commission. It would also eliminate the necessity of a public utility engaged only in the sale of power in intrastate commerce from becoming licensed by the Federal Power Commission.

However, this amendment would not allow either such manufacturer or intrastate public utility to construct any project in navigable waters wholly irrespective of Federal law. The last proviso of the proposed amendment requires such a person to conform to the lawful requirements of the Federal Power Commission with respect to navigation or the effect of the project on navigation.

Since section 1 of this bill defines "navigable waters," reference to this fact is made in this section 3 by striking out in the sixth line after the words "navigable waters" the words "of the United States" and inserting "as herein defined." This amendment is purely formal.

The present subsection does not prohibit the construction, operation, or maintenance of any project in accordance with the terms of a permit or valid existing right-of-way granted prior to June 10, 1920. Therefore after the date in the eleventh line there has been inserted the phrase "pursuant to applicable State or Federal laws," to make it clear that a State or Federal permit or right-of-way protects one from the necessity of becoming licensed under the Federal Power Act. This is in conformity with a similar amendment to subsection (a) of section 23 contained in section 2.

A proviso is inserted after the first sentence of the present subsection (b) to make it clear that if any person constructed prior to June 10, 1920, pursuant to Federal or State law any subject, such person can without license of the Federal Power Commission continue to repair, reconstruct, operate, or maintain such project.

The present subsection (b) also requires anyone intending to construct a project on a nonnavigable tributary of a navigable stream to file a declaration with the Commission. If the Commission finds that the interests of interstate commerce would be affected by the project it is made unlawful to proceed without having secured a license from the Commission. The proposed amendment changes this to require a declaration from only those who intend to construct a project for the purpose of developing electric power for sale at wholesale in interstate commerce. The manufacturer or intrastate utility would not have to file a declaration but, as pointed out above, would still have to comply with any rules of the Commission with respect to the effect of such project on navigation.

The proposed amendment to this subsection also requires that before the Commission may require a license of such a project on a nonnavigable tributary of a navigable stream it must find not that the interests of interstate or foreign commerce would be affected by such project, but that the navigable capacity of the navigable stream would be adversely affected by such project on the nonnavigable tributary.

Lastly, the proposed amendment to this subsection provides that no license is required for the repair, reconstruction, operation, or continued maintenance of a project on a nonnavigable tributary of a navigable stream if such project was constructed under a Federal or State permit, right-of-way, or authority granted prior to August 26, 1935, the date of the last amendment to the Federal Power Act. Prior to August 26, 1935, anyone intending to undertake a project on a nonnavigable tributary could in his discretion file with the Commission a declaration of such intention. The filing of the declaration of intention was made mandatory by the amendment of August 26, 1935. Hence, it seems proper that anyone who prior to that date lawfully constructed a project can continue to repair, reconstruct, operate, and maintain such project without license from the Commission.

I wish to now direct your attention to H. R. 2972, a bill to amend section 201 of the Federal Power Act. Section 201 is the first section of part II of the Federal Power Act, which is the part concerned with the regulation of electric utility companies engaged in interstate commerce. Parts II and III of the Federal Power Act were added by the Public Utility Act of 1935. Section 201 of part II of the Federal Power Act contains the declaration of policy, states the necessity for Federal regulation, defines the scope of regulation to be exercised by the Commission, and defines certain terms which are used in determining the jurisdiction of the Federal Power Commission.

The Federal Power Commission has been no less modest in asserting that the provisions of part II give it jurisdiction over public utilities than it has in its claims of jurisdiction based upon the provisions of part I hitherto discussed. In fact, although it is believed that administratively the Commission is so departmentalized that one group of bureaucrats administer part I and another group administer part II, there is little or no distinction in the capacity of either group; both are zealous to the point of being unlawful in their assertions of

jurisdiction. It should be remembered that parts II and III of the act were added because of the decision of the United States Supreme Court in 1927 in the Attleboro case—Two Hundred and Seventy-third United States Code, page 83—which held that sales of electric energy at wholesale in interstate commerce between public utilities were not subject to regulation by the States and in the absence of Federal regulation such sales went unregulated. Part II of the Federal Power Act was therefore passed so that Federal jurisdiction could be asserted over such interstate public utilities. The Federal Power Commission has used part II to assert its jurisdiction over intrastate public utilities. Hence, the need for the proposed bill. There are, for example, two public utilities in Connecticut, all of the properties of which are wholly located within the State and all their business in electric energy is done wholly within the State. These companies have no ownership in any interstate transmission lines, nor do they transmit electric energy across the State line of Connecticut. However, because one of these companies generated electric energy some of which it sold to another company which furnished some of this energy to companies in Massachusetts, and because the other of these companies purchased electric energy, a minute part of which at times came from without Connecticut, the Federal Power Commission has asserted jurisdiction over all the accounts of these companies. Yet both of these companies in all their activities were entirely regulated by the Public Utilities Commission of Connecticut.

If the Federal Power Commission has jurisdiction over the accounts of a company, it is no laughing matter. It means that the company is subject to two masters, the Federal Power Commission and the utilities commission of the State in which the company operates. This may mean two sets of books, two contrary orders on any subject. Such overlapping of regulation is unnecessarily expensive and serves no purpose. In fact, it leads only to hopeless confusion as it did in the Jersey Central Case (1943, 319 U. S. 61) where the New Jersey Public Service Commission said the Jersey Central Power & Light Co. could issue and sell certain securities and the Federal Power Commission ordered it not to sell.

Certainly such extravagant claims should be curbed. I propose to do this by means of H. R. 2972.

The fundamental purpose of the bill is to redefine the jurisdiction of the Federal Power Commission under the Federal Power Act as passed in 1935.

Notwithstanding that this was the intention on the part of Congress, as is clearly shown by the debates and committee reports, the language in the present act is such that the Federal Power Commission has construed the Federal Power Act so as to give the Commission a great deal of jurisdiction overlapping that of the State commission and to give jurisdiction over many companies operating wholly in one State and doing an essentially local business which is subject to complete State commission regulation.

After more than 10 years of operation under the Federal Power Act it has become clear that the Federal Power Commission intends to attempt to establish jurisdiction and control over companies that Congress never intended should be subject to the jurisdiction of the Federal Power Commission. It is my position that this needless duplication results in waste of the taxpayers' money and increased cost of the service rendered to consumers.

It is the purpose of my proposed amendments contained in H. R. 2972 to confine Federal Power Commission jurisdiction to that originally intended by Congress, namely, that every substantial sale of electric energy shall be subject to regulation by some public body so that in any rate proceeding a public utility cannot assert a cost of electric energy which is not subject to being passed upon by some public authority.

In order to accomplish this purpose, it is thought necessary to take care of two general situations, namely, first the transmission and sale by a local company of energy it purchases from an interstate company subject to Federal Power Commission jurisdiction; and second, the sale by a purely local company to an interstate company which may result incidentally in some small part of the locally generated energy being transmitted outside the State.

Getting down to the particular amendments I offer to section 201 of the Federal Power Act, the purpose of my proposed amendments to subsection (b) of section 201 is to make it clear that a purely local electric company operating within a single State can purchase energy from an interstate company without its becoming subject to Federal Power Commission regulation under the Federal Power Act. The Federal Power Commission would, of course, continue to have jurisdiction over the selling company and over the sale by it to the local electric company, thus the principle of the Attleboro case is satisfied and nothing goes unregulated. My proposed amendment makes it clear that the Federal Power Commission would have no jurisdiction over such local distributing companies and as I have said, I believe this is in accordance with the original intention of Congress in passing the Federal Power Act. In adopting the amendment we would merely be making clear the original intention of Congress and thus remove the overlapping jurisdiction of the Federal Power Commission. In addition we would make it possible for local electric companies to interconnect their facilities with interstate companies thus enabling them to render better service at cheaper rates to the ultimate consumers. Local companies are reluctant to make these interconnections under existing interpretations of the Federal Power Act because of the onerous burdens of duplication of regulation. There is nothing in my amendments which would in any way exempt interstate utilities from Federal regulation.

The purpose of my proposed amendment to subsection (c) of section 201 is to avoid a claim of jurisdiction by the Federal Power Commission over a company operating in one State which sells energy to another company operating in the same State even though a small amount of the energy so purchased may be transmitted by the second company across a State line. The second company, since its operations extend across State lines, would, of course, continue subject to the jurisdiction of the Federal Power Commission. Let us assume the case where company A has a considerable amount of distribution in State X where it purchased energy from company B, which is a purely local company, and the purpose of the purchase is to supply such energy to customers of company A in State X. However, some small part of the energy so purchased may be transmitted across the State line into State Y. It is my position that company B, the selling company which is a purely local operating company, should not be subject to Federal regulation unless the principal purpose of the sale was to enable the purchasing company to transmit the energy so purchased across State lines. Company A is and remains subject to Federal regulation.

I propose a second amendment to subsection (c) of section 201 which would permit a local distributing company to make an interconnection for emergency service or for the exchange of energy where settlement for any variation in delivery would be made on the basis of cost of production or of purchase of such energy. This amendment also provides that a slop-over of electric energy between connecting lines or systems shall not be held to be transmission of electric energy in interstate commerce. My proposed amendment to section 201 (d) merely complements and further clarifies the provisions of section 201 (c).

I also propose amending section 201 (e) to provide that a company which ceases to be a public utility as defined in the act by reason either of cessation of ownership or operation of facilities subject to the jurisdiction of the Federal Power Commission or by any amendment to the act shall not thereafter be subject to the Federal Power Act or any rule or regulation or order of the Commission by reason of its having formerly been a public utility subject to the act. I think it only fair and a matter of common sense that if a company ceases to own or operate facilities subject to the jurisdiction of the Federal Power Commission it should not thereafter be subject to any rule, regulation or order of the Commission.

Section 201 (f) of the act now provides that no provision of the Federal Power Act shall apply to the United States, a State or any agency or authority thereof. In order to permit and encourage local electric companies operating in a single State to make interconnections and exchange energy with government-owned hydroelectric systems, I have proposed an amendment to section 202 (f). Under my proposed amendment any person engaged in the transmission or sale of electric energy through facilities located wholly within one State and not otherwise subject to the jurisdiction of the Federal Power Commission may make a temporary or permanent connection within the State in which its operations are conducted with facilities owned and operated by a governmental agency and such person shall not become subject to

the provision of the act by reason of such connection even though the electric energy received or delivered by such person through such connections is to be or has been delivered across a State line by such governmental agency. If such interconnections were made I am told that various governmental agencies throughout the country would be able to make interconnections with local electric companies which would permit them to sell to the electric companies excess power during periods of high water and to purchase from the privately owned utility sufficient energy to meet their requirements during emergency periods and periods of low water. The purpose of my amendment is to encourage such interconnections which would result in reducing the cost of service to the ultimate consumers. As I have already mentioned, there is a reluctance on the part of local companies at the present time to make these interconnections because of the onerous burdens of duplication of regulation.

In conclusion, let me say that in the introduction of these two bills I have sought to perpetuate a principle to which I have always adhered and one which I believe is the policy of Congress as indicated by its many pronouncements, which policy is that the interests and rights of the States in determining the developments of the watersheds and water resources within their borders and likewise the interests and rights of the States in water utilization and control shall be recognized and reaffirmed and that any attempts on the part of a Federal agency such as the Federal Power Commission in derogation of such interests and rights of States should be curbed.

The CHAIRMAN. The time of the gentleman from Connecticut [Mr. MILLER] has expired.

The Clerk read as follows:

FEDERAL TRADE COMMISSION

Salaries and expenses: For necessary expenses, including personal services in the District of Columbia; health service program as authorized by act of August 8, 1946 (Public Law 658); payment of claims determined and settled pursuant to part 2 of the Federal Tort Claims Act (Act of August 2, 1946, Public Law 601); contract stenographic reporting services; newspapers not to exceed $500; not to exceed $8,000 for deposit in the general fund of the Treasury for cost of penalty mail as required by section 2 of the act of June 28, 1944; and purchase of the one passenger motor vehicle; $2,800,120, of which not less than $228,695 shall be available for the enforcement of the Wool Products Labeling Act: *Provided*, That no part of the funds appropriated herein for the Federal Trade Commission shall be expended upon any investigation hereafter provided by concurrent resolution of the Congress until funds are appropriated subsequently to the enactment of such resolution to finance the cost of such investigation.

Mr. FOLGER. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. FOLGER: On page 17, line 17, after the word "vehicle", strike "$2,800,120" and insert "$2,975,120."

Mr. FOLGER. Mr. Chairman, since I have been here I have found myself devoted most particularly to agricultural concerns and needs, primarily because I felt that that is one of the great bulwarks of our American economy, and that care for it must engage the attention and thought of every Member of the House.

In connection with that and attached to it has been the appropriation for the Interior Department, which deals, in large measure, with a kindred subject of reclamation and drainage and forestry service throughout the United States. I have not meant, however, to be disregardful of the business interests of the Nation. The Federal Trade Commission is, in my opinion, one of the splendid agencies of Government which serves the legitimate and laudable interests of the manufacturers and commercial people of our country. In that is an activity which is substantially eliminated by the action of the committee in failing to appropriate for that purpose. The report of the committee on the subject is as follows:

The action of the committee results in the denial of all proposed increases including all funds for work in connection with the proposed financial reports program which was to have been carried on in cooperation with the Securities and Exchange Commission.

I am informed, Mr. Chairman, that this is one of the very important activities of the Federal Trade Commission; that in collaboration with the Securities and Exchange Commission they have been able to perform a very satisfactory service to all the manufacturers and commercial interests of the United States, and that this service is looked to, and the Federal Trade Commission is expected to have information, that this research would provide. It is with quite a bit of regret that I see this provision eliminated entirely from the bill.

I am informed that this elimination will result in the discontinuance of employment of between 45 and 67 people, that really $225,000 will do the work that I conceive to be absolutely in the best interests of all the manufacturers and commercial interests of the United States. I have, however, in offering my amendment, cut $50,000 from that amount, making it $175,000 added to the appropriation. I feel that it is a really important amendment and that the committee probably with further consideration might agree to it. It is of much importance, and I ask the special attention of the Committee on Appropriations, and of the membership of the House to the subject.

Mr. WIGGLESWORTH. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent that all debate on this amendment and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WIGGLESWORTH. Mr. Chairman, the committee considered the item in question very carefully and came to the conclusion that it was not an item of such importance that it was imperative to embark upon it at this time. It is an activity that was not carried on during the war years. It would seem that it could well wait a year or two more under existing conditions, if we are to embark upon it again.

The Commission received for the fiscal year 1946 about $2,100,000. For the current year it had about $2,800,000. The recommendation of your committee gives it exactly the same amount that it had for the current fiscal year.

I may point out in this connection that the record indicates that 50 trial attorneys in the Federal Trade Commission had only 2,008 hours of hearings, or about 40 hours apiece in a year. It indicates that 137 on the investigating staff filed 801 final reports, or about 6 apiece in a year; that 13 trial examiners had 1,637 hours of hearings, or about 136 hours apiece in a year; and that the Division of Stipulations with 27 secured some 96 stipulations, or about 3½ each in a year.

These figures would seem to suggest that the Federal Trade Commission instead of being provided with too little money could on the contrary get along very well with less money.

I hope the amendment suggested will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. FOLGER].

The amendment was rejected.

The Clerk read as follows:

NATIONAL ARCHIVES

Salaries and expenses: For necessary expenses of the Archivist and the National Archives; including personal services in the District of Columbia; scientific, technical, first-aid, protective, and other apparatus and materials for the arrangement, titling, scoring, repair, processing, editing, duplication, reproduction, and authentication of photographic and other records (including motion-picture and other films and sound recordings) in the custody of the Archivist; contract stenographic reporting services; not to exceed $100 for payment in advance when authorized by the Archivist for library membership in societies whose publications are available to members only or to members at a price lower than to the general public; not to exceed $650 for deposit in the general fund of the Treasury for cost of penalty mail as required by the act of June 28, 1944; and travel expenses, $1,236,335, of which $1,000 is for claims determined and settled pursuant to the Federal Tort Claims Act: *Provided*, That no part of this appropriation shall be used to pay the salary of any employee of grade 4 or above in the professional service or of grade 11 or above in the clerical, administrative, and fiscal service who was originally appointed in the National Archives to a war-service appointment.

Mr. PHILLIPS of California. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. PHILLIPS of California:

Page 37, line 5, strike out "4" and insert "5."

Page 37, line 9, strike out the period and insert a comma and the following words: "except a presently employed veteran of either World War or a member of the active or inactive reserves AUS."

Mr. PHILLIPS of California. Mr. Chairman, the amendment comes with the consent and approval of the committee to make a correction in the wording on page 37 in order that veterans, if any, may be protected, the intent of the original amendment having been to provide and protect veterans' rights in the agency.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from California [Mr. PHILLIPS].

The committee amendment was agreed to.

Mr. REES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take the floor at this time to call attention to the apparent necessity of writing legislation in appropriations bills in order to deal with the question of employment in Federal Government. I have no objection to the amendment just offered, but I direct your attention to the fact that somehow, someway there should be a method for dealing with reductions in force and bringing about economy in Government, as well as dealing with the question of duplication of effort, other than solving the problem on the basis of the amount of funds expended.

On other occasions I have taken the floor in support of legislation that I introduced to provide for an agency representing the Congress and responsible to Congress that could work constructively at all times in an effort to deal with the problem as to what services the people of this country believe they want. What agencies are needed to perform that service, as well as the number of people that seem to be needed in order to carry on such service. This problem of employment is being conducted in a more or less backward manner. If you will read the hearings you will find that this committee over and over again directs attention to what their investigators have done in order to bring about economy in certain departments.

It seems rather odd that the great Appropriations Committee of the House, in order to bring about a certain amount of economy and efficiency, are required to do so by sending what they call investigators into the various departments of the Government in order to get it done. There should be a group who could give careful study to these problems at all times and should keep the Congress informed with regard to the needs and requirements of the various departments of our Government.

The whole thing should be handled in a constructive manner. If you will read the hearings you will find that in too many places there is a certain amount of resistance on the part of department heads when there should be full cooperation. There is no good reason why departments and agencies should not cooperate with the committee. They should tell them about their needs, of course, but they should also explain wherein economies can be made and efficiency brought about in the departments of government.

I want to commend the members of this committee for the splendid work they have done, but I say again, it is unfortunate that it is necessary for the committee to have to handle so much of the legislation under the circumstances which they appear required to do. Of course, there should be justification for the amount of government expenditures and there should also be cooperation on the part of department heads in dealing with the problems involved.

Mr. GORE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I rise to ask a question of the chairman of the subcommittee in order that I may determine whether at a later point in the bill an amendment should be offered. The budget recommended that this language be included in the provisions of the bill relating to the Maritime Commission:

Provided further, That, except for payment of construction differential subsidies as provided in section 504 of the Merchant Marine Act, 1936, as amended, no moneys or contract authority shall be available during the period beginning with the date of enactment hereof and ending June 30, 1948, for the construction of any vessel begun after such date of enactment unless the Commission has entered into a contract for the sale of such vessel.

Before the gentleman answers, let me state my understanding of it, and maybe that will clarify the question somewhat.

My understanding of this language is that the President is recommending that the Maritime Commission be prohibited from starting the construction of any new vessels in the next fiscal year until and unless they have a contract of sale for them. As I understand it, if this is stricken out, it means, according to the committee report, that the Maritime Commission will begin construction and construct $99,000,000 of new ships for which they may or may not have a sale.

As it operates under the basic act, as I understand it, the shipping interests are required to pay 50 percent of the cost of a vessel under a contract of sale. If this is stricken out, it means the Government will pay 100 percent of the cost; and having no sale, the only recourse left to the Government may be a charter which in some cases, or in most cases rather, is a very nominal fee.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the able and hard-working chairman of the subcommittee.

Mr. WIGGLESWORTH. May I say to the gentleman that I think the effect of the action in striking out the proposed proviso is to leave the law exactly as it is today and as it always has been. Of course, the old program of construction is already under contract and the proviso would only affect the new program as it develops. I think the feeling of the committee was that they should not unnecessarily tie the hands of the Commission with respect to methods which they have heretofore used under the enabling legislation.

Mr. GORE. What does the gentleman mean by "unnecessarily"? All this does is to prevent them from beginning the construction of a ship until they have a contract to sell it. If they cannot sell it, they are holding the bag—with the ship in it—and they have nothing to do but to either let the ship lie idle or charter it; and, as I say, those charter fees are frequently very nominal; and it really means upping the budget since the budget recommended $84,000,000 for new ships, the shipping interests to pay half of it, or $47,000,000. But, as it is, the Maritime Commission will have to pay all of it.

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. GORE. If the distinguished gentleman, the chairman of the subcommittee, is finished with his answer, I will be glad to yield to the gentleman from Texas.

Mr. WIGGLESWORTH. I yield for the moment to the gentleman from Texas.

Mr. THOMAS of Texas. May I say to the gentleman that the committee was unanimous in striking out the budget limitation for three reasons. In the first place, if you will read carefully the budget limitations it says "except as provided in section 504 of the Merchant Marine Act of 1936." That is the section of the act which allows the construction differential subsidy up to 50 percent.

Mr. GORE. That is right. But that is what you are striking out.

Mr. THOMAS of Texas. If the gentleman will wait just a moment—the amendment is very ambiguous. It says, "except that." And since the amendment is not clear, that was one ground on which they removed the limitation.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. GORE. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. THOMAS of Texas. The next ground is that we merely want to put it back as it normally was. This budget calls for only nine new ships. Three of them are prototype passenger ships and the remainder are new type cargo ships. Their total cost is only $84,000,000. The figure you refer to, the remainder, the difference between 99 and 84 is for betterments. The bill only carries about $21,150,000 this year to get the program started.

Mr. Chairman, I would like to correct one mistake which I think the gentleman is laboring under. These ships will certainly, when constructed, be chartered out but not on a nominal fee because they will be so much better than what we have now. In truth and in fact, they will bring in a profit, and the Maritime Commission says that they are satisfied that within the next 6 or 8 months, even before they get these ships laid down, they will be sold.

Mr. GORE. Does the gentleman agree with me that the striking out of the proviso which would require the subsidy participation, the participation of the shipping interests in the cost of construction, means that the Government will pay the entire amount of $84,000,000 rather than a part?

Mr. THOMAS of Texas. I think the gentleman is wrong and I will tell him why. I think the gentleman is in error in his judgment that eventually the Maritime Commission will have to pay it all, for this reason.

At VJ-day the Maritime Commission embarked upon a new shipbuilding program of 43 ships. Today 36 of the 43 are completed and sold. It is the expectation that these 9 ships, long before they are constructed, will be sold.

Mr. GORE. Then what is the objection to having the proviso in the bill that construction be not started until there is a contract of sale?

Mr. THOMAS of Texas. It will simply slow it down, for the simple reason they have not closed all the negotiations with the purchasers at this time. Frankly, the purchasers are having a little trouble with the Treasury Department on their differential.

Mr. GORE. Mr. Chairman, frankly I do not quite see the advisability of starting out on a 100-percent cost-of-construction program by the Maritime Commission when we now have more surplus ships than we can possibly sell, and this would really increase the expenditures of the Government rather than reduce them. This eliminates the participation of the shipping industry to the extent of 50 percent of the cost. It really means upping the expenditures of the 1948 merchant-marine expenditure.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield.

Mr. WIGGLESWORTH. I do not think there is anything in the picture which contemplates a 100-percent assumption of cost by the Government in this connection. The construction subsidy is either paid at the outset or it is collected from those to whom the ship is sold.

Mr. GORE. Well, you have no understanding that you can or will dispose of the ships.

Mr. WIGGLESWORTH. The policy has always been the same heretofore. Striking the proviso leaves the situation as it always has been.

Mr. GORE. Now, if it is necessary, from the standpoint of national defense that the Maritime Commission may inaugurate a shipbuilding program, then I offer no objection. But I want the House to understand that it means this so-called saving of budget items of the Maritime Commission, referred to in the report, is partially washed out. That, too, becomes an apparent but not a real saving.

Mr. WIGGLESWORTH. That does not follow at all.

Mr. THOMAS of Texas. If the gentleman will refer to the hearings, he will find a letter from the Secretary of the Navy to the chairman of the Maritime Commission, urging them to go ahead with the cargo shipbuilding program, for national defense purposes. I can assure the gentleman from Tennessee that it is not the intention of the committee to up the budget estimate in this regard one penny, because we are confident that the ships will all be sold long before they are completed.

Mr. GORE. Regardless of intent, that may prove the result. However, in the light of its hearing upon national defense plus the unanimous confidence of the subcommittee that the provision should be stricken I shall not offer the amendment I had intended to offer.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. GORE] has again expired.

The pro forma amendment was withdrawn.

The Clerk read as follows:

VETERANS' ADMINISTRATION

Administration, medical, hospital, and domiciliary services: For necessary expenses of the Veterans' Administration, including maintenance and operation of medical, hospital, and domiciliary services, in carrying out the functions pursuant to all laws for which the Administration is charged with administering, including personal services in the District of Columbia; examination of estimates of appropriations in the field, including actual expenses of subsistence or per diem allowance in lieu thereof; furnishing and laundering of such wearing apparel as may be prescribed for employees in the performance of their official duties; health service program as authorized by act of August 8, 1946 (Public Law 658); purchase of 323 passenger motor vehicles; utilization of Government-owned automotive equipment in transporting children of Veterans' Administration employees located at isolated stations to and from school under such limitations as the Administrator may by regulation prescribe; services as authorized by section 15 of Public Law 600, Seventy-ninth Congress; maintenance and operation of farms; recreational articles and facilities at institutions maintained by the Veterans' Administration; expenses incidental to securing employment for war veterans; funeral, burial, and other expenses incidental thereto for beneficiaries of the Veterans' Administration except burial awards authorized by Veterans' Administration Regulation No. 9 (a), as amended; the purchase of tobacco to be furnished, subject to regulations of the Administrator, to veterans receiving hospital treatment or domiciliary care in Veterans' Administration hospitals or homes; aid to State or Territorial homes in conformity with the act approved August 27, 1888, as amended (24 U. S. C. 134), for the support of veterans eligible for admission to Veterans' Administration facilities for hospital or domiciliary care; the purchase of printed reduced-fare requests for use by veterans when traveling at their own expense from or to Veterans' Administration facilities; not to exceed $3,500 for newspapers and periodicals; and not to exceed $120,200 for the preparation, shipment, installation, and display of exhibits, photographic displays, moving pictures, and other visual educational information and descriptive material, including the purchase or rental of equipment; $878,040,780, from which allotments and transfers may be made to the Federal Security Agency (Public Health Service), the War, Navy, and Interior Departments, for disbursement by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans' Administration, including minor repairs and improvements of existing facilities under their jurisdiction necessary to such care and treatment: *Provided*, That no part of this appropriation shall be used to pay in excess of 100 persons engaged in public relations work: *Provided further*, That no part of this appropriation shall be expended for the purchase of any site for or toward the construction of any new hospital or home, or for the purchase of any hospital or home; and not more than $7,807,000 of this appropriation may be used to repair, alter, improve, or provide facilities in the several hospitals and homes under the jurisdiction of the Veterans' Administration either by contract or by the hire of temporary employees and the purchase of materials.

Mr. ALLEN of Louisiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ALLEN of Louisiana: On page 48, line 18, strike out "$878,040,780" and insert in lieu thereof "$978,040,780."

Mr. ALLEN of Louisiana. Mr. Chairman, the object of this amendment is to do exactly what General Hawley told the Veterans' Affairs Committee yesterday that he had to have in order to staff the hospital beds he will have after July 1.

I presented this question back on May 2 to the committee, as will be seen from page 4470 of the RECORD of that date, and I showed at that time that the Veterans' Administration had at that time 5,174 beds which it was not able to operate, and those beds were scattered all over the Nation, some in every hospital perhaps in the Nation, more or less, all the way from a few beds, 15 or 20, up to 400 or 500. I also showed at that time that on and after July 1 when we reached the new fiscal year we will have a total of about 9,700 beds that General Hawley will not be able to operate because he does not have the doctors, nurses, and attendants to operate them. He does not have those people because he does not have the money.

Yesterday, General Hawley appeared before our committee again. We asked him what he needed in the way of money to operate the beds. Here is what he said, and I beg the committee to look at this question very seriously. I am presenting an amendment for certain needs as revealed by the highest medical authority in the Veterans' Administration. The chairman of the Veterans' Committee is present, as well as other members, and they know this is so. Here are some of the questions that were asked General Hawley yesterday. Mr. KEARNEY, of New York, a splendid Republican member of the committee, asked General Hawley this question:

We want to know whether you are being denied necessary personnel or the funds properly to run your set-up?

Dr. HAWLEY. We do not have enough funds to run the present scope of our set-up.

Mr. KEARNEY. How much more do you need?

Dr. HAWLEY. $100,000,000 and 30,000 people.

Mr. KEARNEY. $100,000,000 and 30,000 more people?

Dr. HAWLEY. Yes, plus the additions that will come in during 1948.

Dr. Hawley further testified, and I want you to listen to this:

Dr. HAWLEY. We have on duty today in all hospitals 61,529 people and if you subtract the 2,933 that are earmarked for new hospitals, that give us only 56,703 people to operate the hospitals next year exclusive of those three new ones.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the gentleman from North Carolina.

Mr. COOLEY. According to the statement the gentleman has just made, the situation will be worse in the coming year than it is at present time?

Mr. ALLEN of Louisiana. I thank the gentleman. That is exactly what will happen. Here are the facts and no one on either side of the aisle can deny it. It is not a political matter, it is not a party matter.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. ALLEN of Louisiana. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the gentleman from Georgia.

Mr. COX. Did General Hawley explain to your committee just why he did not reveal that fact to the Appropriations Committee when he was asking for appropriations? Does the gentleman know his reasons for having said to the Appropriations Committee that the committee was giving him everything he had asked for? If the gentleman will examine the record of the testimony taken by the Appropriations Committee he will find that the committee went to great pains to make certain and to make clear that it was giving General Hawley every cent he was asking for. General Hawley is a soldier, and I dare say in appearing before the Appropriations Committee he was performing as a soldier. The recommendation of the Budget is what General Hawley accepted as being binding upon him, but General Hawley knew that the personnel recommended by the Bureau of the Budget would not enable the Administration to serve the veterans as they should properly be served.

Mr. ALLEN of Louisiana. I thank the distinguished gentleman from Georgia for that statement. He is correct in saying that General Hawley is a soldier, and General Hawley is operating under Budget directions. I do not have all the testimony before me that General Hawley gave yesterday, but General Hawley let us know that he was operating under Budget restrictions. I see the distinguished chairman of the committee on her feet, and I yield to her.

Mrs. ROGERS of Massachusetts. Does it not seem to the gentleman that in matters as important as hospital benefits and other benefits that at least some member of the Committee on Veterans' Affairs should sit in with the Committee on Appropriations? Apparently the committee has been told one thing and we have been told something else. Our responsibility is to legislate in the first instance for the veteran, and there is something very wrong, it seems to me, about the present procedure.

Mr. ALLEN of Louisiana. I thank the gentlewoman. I have no comment now as to whether a legislative committee should sit in with the Committee on Appropriations, but I do know this, that there seems to be a discrepancy, and I do know that General Hawley has given us the latest figures. Let me say this: Regardless of what the Budget Bureau says, it is still the responsibility of this Congress to see that the hospitals are operated properly, and General Hawley says emphatically that he does not have the money; that he lacks $100,000,000 of having enough money and he lacks 30,000 people of having adequate personnel, and it is the responsibility of Congress to see that he has it.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the gentleman from Texas, a member of the committee.

Mr. TEAGUE. General Hawley did make the statement to the committee that he had 20,996 veterans waiting to enter hospitals, but no member of the committee pursued that statement to ask him how he was going to take care of them. It seems to me there was some indication to the committee that he was not receiving enough money. He also stated to the committee that they would not reach their maximum hospital load until 1970, and after General Hawley made that statement there was no question asked him as to how he intended to take care of that 21,000 waiting list.

Mr. ALLEN of Louisiana. I thank the gentleman.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. As a member of the Committee on Veterans' Affairs, I wish the gentleman would clear this up for me. It is my understanding that under existing law the Veterans' Administration provides beds for men with non-service-connected disability where beds are available. Now, is it the gentleman's understanding that it is the responsibility of the Veterans' Administration to recommend a construction program to care for the needs of all veterans who require hospitalization, whether service connected or not?

Mr. ALLEN of Louisiana. I want to say to the distinguished gentleman from Connecticut that that question is not before us at this time. The policy now in operation was established years before I came here. I am talking about operating hospital beds that we now have and will have next year.

Mr. MILLER of Connecticut. It is before us today.

Mr. ALLEN of Louisiana. That is not the question presented in my amendment. As I said, a number of years ago Congress provided that non-service-connected cases could be entered in hospitals if there were available beds not being used by service-connected cases. What I am talking about is meeting the issue next year. I am talking about meeting the issue now and I ask that this House not evade this issue. I ask this House to provide enough funds in this bill right now to take care of the needs for next year. My amendment will do it. I ask your support.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is not a member of the Committee on Appropriations of this House that has not the best interests of every veteran in America at heart.

We have made it very clear in our report that in the recommendations which we have made there is not contemplated one penny reduction in any benefit provided by the Congress for our veterans; nor one penny reduction in anything due to the widowed, the orphaned, or in medical care to any that are eligible.

We considered the over-all picture very carefully. General Hawley was before our committee for days, and it was only a few days ago. At the conclusion of our consideration, we allowed the full Budget estimate, in respect to the item the gentleman from Louisiana now seeks to increase, except as to $38,000,000; $27,000,000 of the $38,000,000 was in respect to personnel and the balance in respect to so-called other obligations. The committee made it crystal clear in its report that not one penny of the $27,000,000 of reduction in personnel was to be applicable to hospitals; in other words, that General Hawley was to have every person and every cent that he had requested.

The record also indicates, as I pointed out yesterday, that not only has the Congress made available every cent and every individual requested by General Hawley heretofore, but that General Hawley has not yet reached the personnel ceiling the Bureau of the Budget has allowed him——

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Texas.

Mr. THOMAS of Texas. I reiterate what the chairman has just said, that it was the intention of the committee to give General Hawley every dime he asked for, and that we did. There may be one or two minor exceptions under some small items. Let me submit this proprosition to the chairman: Since it is the intention of the committee to take 100 percent care of these veterans in the way of hospitalization, if General Hawley will go over to the other body and ask for an increase, and justify it, to the amount suggested by my distinguished friend from Louisiana, am I not safe in saying that the gentleman's committee will go along with that justification? But certainly it was not made before this subcommittee.

Mr. WIGGLESWORTH. This committee has not had one bit of evidence in justification of the amendment proposed by the gentleman from Louisiana. If anybody is to blame, General Hawley himself must take that blame upon his shoulders, because he never brought one syllable of evidence to our committee a few days ago. I subscribe 100 percent to the suggestion of the gentleman from Texas to the effect that if General Hawley can justify further appropriations either before the Senate Appropriations Committee in connection with this bill or before the House Appropriations Committee in connection with a deficiency bill, of course he will get every cent that he proves to be necessary. I do not see, however, how this committee can be expected to subscribe to an increase of $100,000,000 without one syllable of testimony before it to support the proposal.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Georgia.

Mr. COX. May I say that I have examined the record of the testimony

taken by the gentleman's committee and am confident that if General Hawley had made this disclosure to the committee and had made a request for this additional money the committee would have given it to him.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Louisiana.

Mr. ALLEN of Louisiana. The gentleman is bound to know that any representative of a department up here is supposed to live and to make his demands within budget recommendations. I am not talking about budget recommendations, I am talking about needs, I am talking about what General Hawley says now under solemn cross-examination that he needs. It is a question of whether we want to live up to what he needs.

Mr. WIGGLESWORTH. If the general will come before the Committee on Appropriations and justify those needs he will not find any difficulty in having them satisfied.

Mr. HENDRICKS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not rise in opposition to this amendment because I want in any way to take away any of the benefits the veteran is entitled to. I rise in opposition to the amendment because I, myself, am personally offended at the position General Hawley has taken. General Hawley knows full well that he could have told us at perfect liberty, off the record, if he wanted to protect himself, that he did not have enough funds to take care of these veterans who had made application to get into the hospitals, but he did not do so. We need not assume the position that any man in any department need feel he is bound by the recommendation of the budget, because he is not. On many occasions they have told our committee that the budget recommended a certain amount but that they needed so much, and in many instances we have increased the appropriations over the budget recommendations.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I am glad to yield to the gentleman.

Mr. ALLEN of Louisiana. Did any member of your committee ask General Hawley if he needed anything above the budget recommendation?

Mr. HENDRICKS. I think throughout the hearings every member of our committee asked every man who appeared before us from the Veterans' Administration, "Are we properly caring for the veterans in providing for the benefits that are coming to them?"

Mr. ALLEN of Louisiana. Did you ask him to make any further recommendations?

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I yield to my colleague from California.

Mr. PHILLIPS of California. Is it not a fact, may I ask the gentleman from Florida, that we did just those things and that representatives of the Veterans' Administration, as well as representatives from other agencies, with great frankness told us just exactly what each situation was? It is, therefore, a matter of orderly budgeting, whether justifications shall be made before the Committee on Appropriations, as they were in this case, and the money given by the Committee on Appropriations, or whether, without any justification at all, a request shall come in for an additional $100,000,000. It seems to me that the suggestion from the gentleman from Texas [Mr. THOMAS] is the solution, and that General Hawley should go before the Senate subcommittee having consideration of this bill and justify what he apparently said before a legislative committee, but not before the Committee on Appropriations.

Mr. HENDRICKS. I think the gentleman from California is correct. We stated here yesterday in general debate that no one had any intention of denying any veteran any benefit to which he is entitled, not by one cent. Every member of this committee knows full well, and so did General Hawley that if he needed more money all he would have had to say to us was that the budget recommended a certain sum but that he felt the budget was incorrect. Or he could have told us that he could use a certain amount of money in taking care of these veterans and he could have gotten it. Everyone knows that we have increased appropriations above budget estimates in certain instances. The whole point is simply that General Hawley came before one committee and said one thing and then went before another committee and said another thing.

The solution to this problem is this: My recommendation would be that General Hawley now go before the Senate Committee on Appropriations, and I am sure the Senate will agree to put the money in the bill if he says they need it and if he makes a case. I am sure the House conferees will accept that if he wants to do it. His next move, if he runs short of funds, is to ask for a deficiency appropriation. I am sure no committee, not the deficiency committee or the whole Committee on Appropriations or any Member of the House, would deny him funds. But I do not think it is correct for him to come before us and tell us one thing and then go before another committee and tell them something else. He had every reason to tell us what he needed. He was before us. He did not have to be the soldier and abide by the budget recommendations. He could have told us exactly what he needed because it is our job to determine whether or not the budget requests are right, and that is what we do.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I am glad to yield to the gentleman.

Mr. PRICE of Illinois. May I say to the gentleman from Florida in fairness to General Hawley that he did not volunteer any of this information. It came as a result of questioning before our Committee on Veterans' Affairs. He was making no complaints and he was not asking for anything.

Mr. HENDRICKS. Well, the point I make is this. He disclosed this information to your committee, so why did he not disclose it to the committee which was making the appropriation?

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I yield.

Mr. TEAGUE. The reason is that none of you asked him any questions.

Mr. HENDRICKS. We do not have to ask any of these men any questions.

Mr. TEAGUE. He told you that there were 20,000 patients on the waiting list.

Mr. HENDRICKS. That is begging the question. They know perfectly well what they need. We do not have to ask questions as to whether they need money. All they have to do is make a simple statement, and they will get it if they need it. It is our job to decide, as I said before, whether the budget is correct and whether we will give more or less. We are perfectly willing to listen. If General Hawley had said he needed the money or had indicated in any way what he needed, there is no member of this committee who would have denied him what he needed.

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent that debate on this amendment close in 12 minutes, the last 2 minutes to be reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I am extremely glad that the gentleman from Louisiana [Mr. ALLEN] has brought up this matter. I think it is high time that representatives of the departments stop telling the Appropriations Committee one thing as regards their needs and then coming to the authorization committee—the Committee on Veterans' Affairs in this instance—and telling them they need more money. Under the circumstances I am willing to accept, for the time being, the verdict of the Committee on Appropriations. If General Hawley feels he does not have enough money to operate the hospitals and care for the veterans properly he can go before the Senate committee and ask for that amount of money. Apparently no one on the Appropriations Committee feels he asked for a cent more than they have appropriated. For that reason for the present I am willing to go along with the Appropriations Committee and accept their promise that they will appropriate more in one of the appropriations bills which will follow this.

I am very glad that the gentleman from Louisiana [Mr. ALLEN] brought up the point. I could not be present yesterday during the entire hearings, because I had a very important committee meeting with the Speaker of the House regarding certain veterans' matters in another section of the Congress. No one in the House wants to deprive the veterans of any money for hospitalization or proper medical care. It is important that requests for appropriations be discussed in the House, because this sort of thing must be stopped. I have repeatedly asked that I and a few members of the Veterans' Affairs Committee might sit

in with the Appropriations Committee to find out what the Veterans' Administration has to say to them. If they come before us and say something different, it is very unfair to us and to the Appropriations Committee and to the veterans. In the first instance the Committee on Veterans' Affairs has the responsibilities for legislation for the veterans' welfare.

Mr. KEEFE. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. KEEFE. Should it not be perfectly clear in the RECORD that any administrative agent like General Hawley, representing the Veteran's Administration, who appears before the Appropriations Committee, is bound by instructions in writing from the President of the United States, which has gone out to every executive agency of Government, that they are not to justify any request for appropriation in excess of the budget estimate? But when he comes before your committee he is not bound by that instruction, and he can tell your committee what is on his mind. I have noticed it in handling requests for appropriations time and again, when I felt that an agency was not getting enough money from the Bureau of the Budget to properly handle their business and I have tried the best I could to pull out of those people, when they came there, justification for more money for a thing I knew they should have more money for. But they would close up like clams, and then, off the record, would tell me, "We are sorry, Congressman, we cannot violate the order." It would not make any difference if you sat in with the Appropriations Committee. Does not the gentlewoman see the point?

Mrs. ROGERS of Massachusetts. Yes, that is true in some cases, insofar as public requests are made to the Appropriation Committee but I am quite sure that requests are made to that committee off the record and I should assume the members of the Appropriations Committee would ask General Hawley off the record if he needs anything more.

Mr. COX. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Georgia.

Mr. COX. If that is intended as a criticism of the Appropriations Committee, with all due deference to the gentlewoman, I think it very unfair.

Mrs. ROGERS of Massachusetts. I yield no further to the gentleman from Georgia. I will say to the gentleman that I was rather defending the Appropriations Committee, I believe that no one on the Appropriations Committee would fail to ask that question of representatives of the Department, in this instance General Hawley.

Mr. COX. Will the gentlewoman yield further?

Mrs. ROGERS of Massachusetts. I yield no further to the gentleman from Georgia.

The CHAIRMAN. The time of the gentlewoman has expired.

The gentleman from Texas [Mr. TEAGUE] is recognized for 2 minutes.

Mr. TEAGUE. Mr. Chairman, I wish to say that General Hawley did not come before our committee and ask for additional money. He came before our committee and told us that there were 20,000 veterans waiting for hospitalization. We asked him how he was taking care of them. He stated that he could not because the hospital load was increasing all the time and actually his amount of money had increased none. Then we asked him how much money it would take to take care of these veterans and that was how this thing came out.

I wish to ask a question of the gentleman from Massachusetts [Mr. WIGGLESWORTH]: On page 536 of the hearings General Bradley pointed out to the gentleman from Massachusetts that there would probably be a shortage of funds for rations and medical supplies during 1948 and asked what his procedure should be. Should he go ahead and use what was needed and ask for a deficiency or should he stop? The gentleman's answer to him was that the committee would think the matter over and get together. I would like to know what the final answer to General Hawley was.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. WIGGLESWORTH. Under date of June 3, 1947, I wrote General Bradley as follows, as chairman of the subcommittee:

JUNE 3, 1947.

Gen. OMAR N. BRADLEY,
Administrator, Veterans' Administration, Washington, D. C.

DEAR GENERAL BRADLEY: At the conclusion of the recent hearings in connection with the 1948 estimates for the Veterans' Administration you asked the subcommittee the following question:

"If we find we can take care of 39,000,000 patient-days with the personnel which is allowed us, but it would involve a bigger expense for rations and medical supplies, are we justified in coming back to you for that difference?"

I am authorized by the subcommittee to advise you that the answer is "Yes" to your question.

Sincerely yours,
RICHARD B. WIGGLESWORTH,
Chairman, Subcommittee on Independent Offices Appropriations.

Mr. TEAGUE. I thank the gentleman, and yield back the remainder of my time.

The CHAIRMAN. The gentleman from Connecticut [Mr. MILLER] is recognized for 3 minutes.

Mr. MILLER of Connecticut. Mr. Chairman, I take these 3 minutes in order to straighten out an incomplete question I asked of the gentleman from Louisiana, for fear it may be misunderstood. I asked the gentleman a few minutes ago if I was right in believing that under existing law the Veterans' Administration was charged with admitting veterans to veterans' hospitals suffering from non-service-connected disabilities where beds were available. The gentleman answered "Yes," but he said that matter was not before us at this time and he would discuss it later.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I cannot yield.

Mr. ALLEN of Louisiana. But I yielded to the gentleman.

Mr. MILLER of Connecticut. I have got caught before yielding when my time was short. I want to get this matter completed if I can. I want to clarify this matter of admitting veterans with non-service-connected disabilities to hospitals where beds are available. I think it is pertinent to the question of appropriations.

In my district the general medical hospital of the Veterans' Administration is at the present time about 93 percent occupied by veterans with non-service-connected disabilities.

If Congress is going to provide for every World War I and World War II veteran to be treated at these veterans' hospitals for all types of non-service-connected cases, I am concerned about where we are going to put the service-connected men who apply for admission. If you are going to carry out the whole program, then the $96,000,000 that we are talking about now is only a drop in the bucket; and I think it is very important that the Congress through the Committee on Veterans' Affairs, of which the distinguished gentlewoman from Massachusetts is chairman, clarify that policy.

I am not criticizing the Veterans' Administration because if there is an empty bed and a non-service-connected case comes along they should admit him, but when all the beds are filled with non-service-connected cases and a service-connected case comes along they cannot admit the veteran suffering from a war disability.

I now yield to the gentleman from Louisiana. I did not mean to be abrupt to him when I declined to yield earlier.

Mr. ALLEN of Louisiana. I wanted to say to the gentleman that the question of admitting non-service-connected cases is permissive. As the gentleman knows there is nothing mandatory about it. It is a matter of administrative discretion on the part of the Veterans' Administration. If there are vacant beds the Veterans' Administration has the right to admit non-service-connected cases.

The gentleman is asking about a policy as to what can be done in the future. That is a matter for the Congress to determine. I do not know what the Congress is going to do and the gentleman does not know.

Mr. MILLER of Connecticut. But I think we should know what is going to be done. Suppose there is one empty bed and a non-service-connected case comes along with appendicitis and he has his appendix out, and 8 hours later a service-connected veteran applies for admission. Obviously you cannot turn out the non-service-connected case that had his appendix removed 8 hours earlier and turn the bed over to the service-connected case.

I think it is very important that the policy be determined and that adequate facilities be provided to meet the situation.

May I repeat. I have no objection, in fact I approve of providing hospital care for every veteran regardless of the cause of his or her disability whenever and wherever there is a vacant hospital bed, but if we are going to build hospitals enough to provide an empty bed for every

war veteran who may need it we have a huge building program ahead of us.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. PHILLIPS of California. Mr. Chairman, the point made by the gentleman from Connecticut [Mr. MILLER] shows the seriousness and the complications of the situation and is well taken. It calls attention to the fact that this is not a matter that can be settled without supporting facts, to the extent of $100,000,000, on the floor of the House. I rise to suggest again the propriety of the idea of the gentleman from Texas [Mr. THOMAS], that we should refuse this amendment, then ask General Hawley to present facts in justification before the Senate committee. If General Hawley was a soldier before the Appropriations Committee I think he was also a soldier before the legislative committee. I can assure the gentleman from Louisiana [Mr. ALLEN] that we do not refrain from asking questions and that the same informality, the same freedom of expression, obtains in the Committee on Appropriations as in legislative committees. I concur with the gentlewoman from Massachusetts [Mrs. ROGERS] in her hope that there will be cooperation between legislative and appropriation committees.

Mr. Chairman, I suggest that the amendment be rejected.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Louisiana [Mr. ALLEN].

The amendment was rejected.

Mr. GOFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOFF: On page 48, line 18, strike out "$878,040,780" and insert in lieu thereof "$868,040,708."

Mr. GOFF. Mr. Chairman, this amendment involves a cut of $10,000,000.

Mr. Chairman, what I now have to say must be taken in no sense as a criticism of our fine House subcommittee of both Republicans and Democrats which has worked long, faithfully, and capably on the present bill. I entertain only the highest regard for fellow Members of Congress who lean over backward to insure the ultimate in care for our disabled comrades in arms and the fullest opportunity for veterans' widows and orphans and for veterans themselves to enjoy every benefit accorded by law. In the face of insistent public demand for cuts in expenditures, any doubts have been resolved in favor of ample provision for veterans' welfare, rather than parsimonious snipping.

The Veterans' Administration is the giant of our independent Government agencies. It is a sprawling colossus, created after World War I, which mushroomed in size after the termination of hostilities in World War II, and is headed by one of our national heroes, a man whose integrity and high purpose are above all possible question.

Legislation has been passed by Congress to cover almost every possible need of veterans of the two World Wars, and the problems and cost of implementation of such legislation have grown almost beyond the bounds of congressional scrutiny.

But now we must attempt to do some weeding in the field of the Veterans' Administration. This Congress has tackled the personnel superstructure of other governmental agencies, and I see no just reason why this important bureau should be held inviolate when it comes to plowing under incompetent jobholders.

Unfortunately, after each war, the agency became a haven for a very large number of job hunters of limited ability, but recently discharged from war service, for whom no places at any way comparable salaries were open in ordinary civilian employment. Many were men of good intention but a paucity of qualifications to do the work. A lot of them were what we call professional veterans, often active in veterans' organizations, out looking for soft berths to land in. A lot of them, during hostilities, had managed to slip into safe Army jobs far from the hardships and the shooting, and had let someone else do the fighting. Some of them were commissioned officers of doubtful ability, whose talents are more suited to drive milk trucks than holding down administrative positions.

My amendment is not aimed at the many able and zealous public servants in the Veterans' Administration. Their jobs will be easier if we clear out the dawdlers. It is not aimed at hard-working personnel engaged in giving hospital or medical care to our veterans. But my amendment is directed at the hordes of inefficient administrative employees, particularly of our regional, subregional, and local offices, and, worse than these, the misfits, the selfish, and the lazy, who have crawled onto what to them is the gravy train. I speak of the important-looking brief-case boys, some of whom hardly conceal their contempt for veterans who work for a living. Then there are the office managers, who should be pushing wheelbarrows instead of pencils. A private physician writes me of a veteran he sent to an administration office who waited for more than an hour while the man he was to see was out for a cup of coffee. Serious-minded members of Legion committees tell me of attending conventions and conferences where some regional official was accompanied by as many as four other Veterans' Administration employees, who carried brief cases and contributed nothing, while relaxing on their expense accounts. I know of veterans who have been booted out of one ordinary civilian job after another, but who complain bitterly that they are not making more than $7,000 a year now with the Veterans' Administration. There is a subregional office where stenographers complain in disgust that they average typing one letter a day and spend the rest of the time reading magazines, or at whatever else will take up the slow hours. They know they are overpaid and overgraded. There is no need for four janitors where one grew before. This is not a situation peculiar to one part of the country. These shilly-shally business methods have existed since the First World War.

I invite your attention to the next to the last paragraph on page 20 of the report on the bill. This reads as follows:

The record discloses disturbing weaknesses in the present situation.

There appears to be no proper central control of personnel. This seems to have been lost back in December 1945 when the power of employment was delegated to heads of offices in the field, some 78,000 employees having been added to the rolls in a period of 6 months thereafter. The committee is advised that no current personnel records, covering positions and salaries of those in the field offices, are available in the central office in Washington, although available records do show a disproportionate assignment of personnel of branch and regional offices and of administrative and maintenance personnel at hospitals.

Again I say that the bulk of the Administration employees want to do a good job. I would be the first to agree that generalities are unfair to the earnest and efficient worker. But I do know a man whose ability I respect who voluntarily took other employment at a much lower salary because he was fed up on the inefficiency of the Veteran's Administration office in which he worked.

I believe there are Members of the House who have felt that something ought to be done to remedy the situation, but who have kept silent because they did not want to appear unfriendly to ex-service men and women.

This is something veterans ought to want to see cleaned up. We know that eventually a long-suffering public will revolt at such incompetence and the whole program will be discredited. Now is the time for Congress to act. We can force a shake-up by a cut in appropriations. We want to provide for our veterans all that is justly due from a grateful Nation, but if less goes to pay salaries of useless job holders, then there will be more for the veterans who need help.

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WIGGLESWORTH. Mr. Chairman, I have a very high regard for the gentleman from Idaho who has just spoken, and who has served not only in one world war but in two. I know of his earnest desire to try to improve existing conditions within the Veterans' Administration. I think we all share in that desire.

However, Mr. Chairman, as far as further reduction in personnel is concerned, I feel as I indicated yesterday, that the committee has gone as far as it is desirable to go at this time.

I believe it is better to be on the conservative side, particularly in view of the fact that General Bradley has indicated his full realization of the importance of a proper over-all central control over personnel and in view of the fact that he now has studies under way with a view to improving present conditions.

I therefore think it would not be wise to adopt the proposed amendment at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho.

The amendment was rejected.

The Clerk read as follows:

For hospital and domiciliary facilities, in addition to the unobligated balances of other appropriations for this purpose, and to the unobligated balance of the contract authority of $441,250,000 in the Third Urgent Deficiency Appropriation Act, 1946 (which authority is hereby extended to July 1, 1949), the Administrator is authorized to incur obligations prior to July 1, 1949, in an amount not exceeding $338,250,000, which shall be available for use, with the approval of the President, for extending any of the facilities under the jurisdiction of the Veterans' Administration or for any of the purposes set forth in sections 1 and 2 of the act approved March 4, 1931 (38 U. S. C. 438j-k) or in section 101 of the Servicemen's Readjustment Act of 1944: *Provided*, That not to exceed 6.7 percent of the foregoing appropriation and contract authorizations shall be available for the employment in the District of Columbia and in the field of all necessary technical and clerical personnel for the preparation of plans and specifications for the projects as approved hereunder and in the supervision of the execution thereof, and for all travel expenses, field office equipment, and supplies in connection therewith, except that whenever the Veterans' Administration finds it necessary in the construction of any project to employ other Government agencies or persons outside the Federal service to perform such services not to exceed 10 percent of the cost of such projects may be expended for such services.

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 51, line 20, strike out the period and insert a semicolon and the following: "*Provided further*, That no part of the funds appropriated in this bill or any funds heretofore made available, including contract authorizations, shall be used for the purchase or condemnation of the site or for the erection of a hospital on the tract of land in Arlington County, Va., known as the A. M. Nevius tract, situated at the intersection of Lee Boulevard and Arlington Ridge Road, containing approximately 25.406 acres; or for the purchase or condemnation of the site or erection of a hospital in Tallahassee, Fla."

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. Mr. Chairman, this is an amendment to save the Government some money. I was encouraged to offer it by the discussion which occurred here during most of the morning, off the record, in which everybody was in favor of either saving money or cutting appropriations. I am in favor of both.

This Nevius tract concerning which I am going to talk has been a subject of discussion on Capitol Hill for, I believe, as long as I have been here. There have been efforts by numerous bureaus of the Government to purchase this land. Always it has been successfully blocked heretofore. When I learned that it was proposed to erect a veterans' hospital on the Nevius tract I immediately went to see General Bradley to enter my protest.

Many of you probably are not acquainted with that location. It is just off the Lee Boulevard a short distance from Memorial Bridge. It is adjacent to and overlooks the National Military Cemetery. I have never heard that it would be encouraging to the recovery of veterans that they should be placed in a hospital where they look out of their windows upon the graves of their departed fellows and where they are constantly attuned to the taps of the burial of their comrades and the firing of the final salutes. That is what is proposed here.

I oppose this site for several reasons. One of them is that very rapidly the Federal Government is absorbing Arlington County and withdrawing its property from taxation to the point where that county is going to find it very difficult to survive in the future. That is a subject which perhaps does not so much interest Members of Congress. So I am going to talk to you about what does interest you.

This Nevius tract is a property for which the Government proposes to pay the sum of $891,000, I believe it is. The owners are claiming that the property is more valuable than that, and the jury will finally have to decide how much more than $891,000 the Government is going to have to pay for that site. Within 3 miles of that site the Government can buy sites—hilly and wooded land on arterial highways for only a very small percentage of what it is proposed to pay for this site.

I took occasion this morning to inquire as to the value of property within 3 miles of that which the Government could purchase. I was told that within 3 miles of the site for which the Government proposes to pay $980,000 or $1,000,000—and it will probably have to pay something in the neighborhood of $2,000,000 for the property—there is property which is more appropriate, better, and more beautiful, and in quieter surroundings which can be purchased and which is only a 5-minute drive of that Nevius tract for $25,000. And that would purchase the same quantity of land.

We all want to do what is right for the veteran. I do not think it is going to help them any to set them up in a hospital overlooking the cemetery which is going to be their final resting place. I doubt if it is going to help their morale or their recovery. Furthermore, there just is not any sense in our not paying some attention to the common-sense proposition of getting our money's worth when the Government is the purchaser.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I am glad to yield to the gentleman.

Mr. SIKES. The gentleman has presumed to include in his amendment language affecting my district. I wonder if he will direct his discussion to telling us why he included Tallahassee Park?

Mr. SMITH of Virginia. Very gladly.

Mr. COX. Mr. Chairman, if the gentleman from Virginia will wait, I will take care of the gentleman from Florida on that score.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I am delighted to yield to the gentleman.

Mr. ELSTON. May I ask the gentleman if there is any medical center or anything near this tract which warrants the building of a hospital at that particular place?

Mr. SMITH of Virginia. It was stated to me that that was the reason for putting it there; that it would be nearer the hospitals in Washington. The fact is that the Congress last year provided for a medical center in the District of Columbia. Nobody has yet determined where that site is going to be, whether it is going to be nearer this tract or a long distance from it.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. ELSTON. Some years ago there was a hearing before the Military Affairs Committee at which time an effort was being made to annex this particular tract of land, which is about 25 acres, to Arlington Cemetery. At that time there was testimony before our committee that the owners paid only about $22,000 for the tract. Of course, that was some years ago, but $22,000 was about all they paid for the same tract which they are now trying to sell to the Government for almost $900,000.

Mr. SMITH of Virginia. Property in that area is very high in price. I am not criticizing the owners of the property for trying to sell it for as much money as they can get for it. That is their privilege and their right. What I am criticizing is that a Federal agency seems to be utterly impervious to the value of a dollar.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. RICH. You say that within 5 minutes from the point where they now want to purchase a site for $900,000, they can buy one for $25,000?

Mr. SMITH of Virginia. That is exactly what I said and I hope the gentleman will be for my amendment.

Mr. RICH. Why, Mr. Chairman, every man here should be for that amendment. If there is any man who would not be for that amendment, I would like to see him stand up.

Mr. SMITH of Virginia. Mr. Chairman, I yield back the remainder of my time.

ARLINGTON COUNTY, VA.,
OFFICE OF COMMISSIONER OF REVENUE,
Courthouse, Arlington, Va., June 16, 1947.

Hon. HOWARD W. SMITH,
United States House of Representatives,
Washington, D. C.

DEAR JUDGE: In my opinion, the purchase of the Nevius tract by the Federal Government for a veterans' hospital would be extreme extravagance on the part of the Government. The Nevius tract is one of, if not the most, valuable tracts of ground in Arlington, consisting of approximately twenty-three-and-a-fraction acres, or about 1,000,000 square feet. My information from Judge Harry R. Thomas, who represents the Nevius people as well as from Mr. C. L. Kenier, the county planning engineer, is that temporary plans were presented to the building inspector of Arlington County for the erection of a $20,000,000 hotel

on this tract before the Veterans' Administration attempted to take the property over for a hospital.

I am further advised by the parties herein mentioned that a value of $5,000,000 was agreed to for the land, or about $5 a square foot.

There are numerous tracts of land in close proximity to Washington that, in my opinion, could be used to better advantage for a veterans' hospital, and could certainly be purchased at a far less cost than the Nevius tract. I am advised that the owners of the Nevius tract will not accept the price suggested by the Government in condemnation proceedings and I am sure that the owners of this tract can bring forth expert testimony that the tract is worth far more than the amount proposed by the Veterans' Administration.

A further objection to the Nevius tract for a veterans' hospital is the fact of its close proximity to Arlington Cemetery, with numerous burials daily, accompanied by squad firing and taps, which would seem to be very depressing to a veteran whose life was despaired of. If I remember correctly, some of the county officials, when they first learned of the proposal of the Government to take this tract over, suggested other cheaper and more desirable tracts in close proximity to Washington which could be obtained for a veterans' hospital.

From a tax angle, it means a further loss to Arlington at the present time of about $9,000 a year with a potential loss, should the proposed hotel be built, of at least $325,000 annually on the land and building alone, to say nothing of the personal property and license taxes which a hotel of such proportions would produce for the county.

I cannot too strongly emphasize the extravagance of the Federal Government in appropriating money to purchase property at a price far in excess of what more desirable property with far more acreage could be purchased for the same purpose.

Sincerely yours,

HARRY K. GREEN.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems to me the gentleman from Virginia [Mr. SMITH] has made out a very good case in this instance, but I think I ought to read, at the request of the Disabled American Veterans, a letter that has come to me, signed by Francis M. Sullivan, national director of legislation:

DISABLED AMERICAN VETERANS,
Washington, D. C., June 18, 1947.

The Honorable EDITH NOURSE ROGERS,
Chairman, House Committee on Veterans' Affairs, House of Representatives, Washington, D. C.

DEAR MRS. ROGERS: The rule granted for consideration of the independent offices appropriation bill, 1948, provides that amendments may be offered to said bill which would prohibit the use of funds appropriated in such bill or any funds heretofore made available, including contract authorizations, for the purchase of any particular site or for the erection of any particular hospital.

This is a most unusual and discriminatory rule. It strikes at the very necessary hospital-construction program and conceivably results in the elimination from such program sorely needed hospitals. The program has been carefully considered by the Federal Board of Hospitalization, by the House Committee on Appropriations, and other interested agencies.

We of the Disabled American Veterans respectfully request that you recommend to the House of Representatives the rejection of any proposed amendment intended to affect the proposed hospital-construction program as contained in the independent offices appropriation bill.

Sincerely yours,

FRANCIS M. SULLIVAN,
National Director of Legislation.

I would like to point out to the House the danger of bringing in a rule of this kind. For instance, if any Member of Congress should happen to have a hospital that was under construction in his district, and anticipated funds were in this appropriation bill, if a Member rose under this rule and moved to strike out that the funds heretofore authorized should not be used for the construction of the hospital, they could not be used if the House so voted and the hospital might never be completed, because it is legislation on an appropriation bill. There is great danger in a rule of this kind. I think the Members are entitled to know that—those of you who have hospitals under construction; those who have plans under consideration. Sometimes $100,000 worth of plans have already been under way. Apparently, in the case of the gentleman from Virginia [Mr. SMITH] as he makes out the case, there will be a saving, and the present site is an undesirable one. But it is a very bad precedent if we are going to follow the law we have laid down regarding using the suggestion of the Board of Hospitalization for hospital sites.

Mr. RICH. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I cannot yield just now.

I would like to ask regarding the funds for the Tallahassee Hospital. The gentleman from Florida [Mr. SIKES] has asked the question. I do not know whether there is any construction under way there, or any plans. Is that correct?

Mr. SIKES. If the gentlewoman will yield, I will be glad to state that a site has been acquired and plans have been completed for the construction of a hospital. Construction itself has not begun.

Mrs. ROGERS of Massachusetts. Was that recommended by General Hawley and the Board of Hospitalization?

Mr. SIKES. Yes, it was.

Mrs. ROGERS of Massachusetts. It was recommended that that site be purchased? How much was paid for the site?

Mr. SIKES. I am unable to give that information just now. It was recommended that the construction of the hospital proceed and that it be completed as soon as possible.

Mrs. BOLTON. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mrs. BOLTON. Am I to understand that all the placing of hospitals is done very definitely under the National Hospitalization Board?

Mrs. ROGERS of Massachusetts. The Board of Hospitalization is supposed to do the selecting of the sites. I understand that sometimes the President overrules the Board.

Mrs. BOLTON. Is that selection accepted by the Veterans' Administration? Because unless we do have a unified and united plan for the hospitals of this country we are certainly going to have duplication and unnecessary expense not only for the veterans' organizations but also for civilian hospitals.

Mrs. ROGERS of Massachusetts. I would say to the gentlewoman that the veterans have always preferred to be hospitalized except for in some instances specialized care in their own hospitals, and the veterans' organizations have endorsed hospitalization in Veterans' Administration hospitals. I want to point out again that under this rule they could shut off funds for hospitals under construction. If such a rule should be brought in relating to other Government hospitals, construction could be stopped.

Mrs. BOLTON. Possibly it would be better if some of those hospitals were stopped, they are put in such strange places.

Mrs. ROGERS of Massachusetts. I doubt if legislating hospitals in an appropriation bill on the floor would help the situation. General Hawley and the Board of Hospitalization make the selection of the sites unless we adopt a rule of this sort and we legislate the sites; or we legislate in the Committee on Veterans' Affairs to take the power away from the Board of Hospitalization and recommend hospital sites in a hospital construction bill.

Mrs. BOLTON. I have only common sense at my disposal, but it seems to me that some of the hospitals have been located in amazing places.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Pennsylvania for a question.

Mr. RICH. I wanted to ask the gentlewoman, she being chairman of the Committee on Veterans' Affairs, if some Member of Congress realizes that we can get a site for $25,000 that is just as good as one that has been selected but which will cost $900,000, the cheaper site being within 5 minutes of the other, does not the gentlewoman think under present conditions we ought to take the $25,000 site?

Mrs. ROGERS of Massachusetts. I should say that the gentleman ought to take it up with the Board of Hospitalization and fight it out there. However, I always advocate the saving of money when the same results can be attained and the veterans be given the same care and service.

Mr. RICH. No; we have got enough of these bureaucrats and enough of these people in the Government who are squandering the people's money. We want to stop this, and it is the gentlewoman's business to stop it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. AUGUST H. ANDRESEN. It has been indicated heretofore that the Hospitalization Board designates the location of hospitals.

Mrs. ROGERS of Massachusetts. That is correct.

Mr. AUGUST H. ANDRESEN. When the late Franklin Delano Roosevelt was President he set aside the action of the Board and located hospitals to suit his own fancy.

Mrs. ROGERS of Massachusetts. I understand there were three hospitals so located.

Mr. AUGUST H. ANDRESEN. If the same process can still be followed, it would seem that the Chief Executive finally decides the location.

Mrs. ROGERS of Massachusetts. I may say to the membership that I do not know whether they want to legislate into an appropriation bill the stopping of the building of hospitals. That is up to them, but I think it is a dangerous precedent. It may be well in this case but it is a dangerous precedent.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has again expired.

Mr. COX. Mr. Chairman, I rise in support of the amendment and ask unanimous consent to speak for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The gentleman is recognized for 10 minutes.

Mr. COX. Mr. Chairman, I regret the necessity of having taken the responsibility for putting in the pending amendment the language relating to the Tallahassee, Fla., hospital. My situation is such that I felt amply justified in doing this and now feel justified in taking the floor and appealing to you to support the position I take.

If this hospital had been placed at Tallahassee upon any other than political grounds, I doubt if I would take the responsibility of offering this amendment, even though putting it there involves the waste of millions of dollars.

At the time when this Hospital Board in the Veterans' Administration was examining the question as to where the hospital should be placed within the area represented by my friend the gentleman from Florida [Mr. SIKES] to the south of me and myself, a certain political influence intervened and overthrew the judgment and recommendation of experts within the Veterans' Administration and brought about the determination that the hospital should go to Tallahassee in satisfaction of or in fulfillment of a political promise, and for no other reason whatsoever. You will find in the files of the Veterans' Administration a recommendation to the effect that the hospital at Thomasville, Ga., be retained and further developed. In the effort to justify the location of this hospital at Tallahassee, Fla., the Veterans' Administration is junking a magnificent institution located at Thomasville, Ga., 35 miles away. The Thomasville hospital represents an outlay of something in the neighborhood of $6,000,000.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Florida.

Mr. SIKES. I dislike to disturb the continuity of the gentleman's statement, but he has made the statement that political considerations determined the location of the hospital.

Mr. COX. I make that statement advisedly. My information is reliable. The statement is true.

Mr. SIKES. Will the gentleman identify the person to whom he refers?

Mr. COX. The gentleman is not the person to whom I refer, of course. I do refer, however, to a Floridian who is prominent in Florida and in national political affairs.

I say that in order to justify the discontinuance of the Thomasville hospital they are now contending that Thomasville is not the kind of a place that will attract personnel and that there is not sufficient recreational facilities to make it a desirable place for the veteran to go. Let me say to you, Mr. Chairman, that Thomasville has been attracting people of large means who could visit anywhere in the world that they might desire, and others of lesser means for a hundred years. They go there because it is a pleasant place to live. It has a fine climate and is a beautiful city. It even attracts people from Tallahassee who go there for recreation and for medical care. Thomasville is very nearly as large and is just as attractive as is Tallahassee. It is more of a medical center, and has as much to offer veterans as any other place that I know about where a veterans' hospital is located.

There are within the fifth area, which comprises Tennessee, Florida, Alabama, and Georgia, about 2,500 veterans now on the waiting list, and yet in spite of this fact and in order to justify Tallahassee, the Veterans' Administration is closing the Thomasville hospital that is prepared to render service to these veterans.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Ohio.

Mr. HUBER. The mentioning of the plant at Thomasville as being an excellent building, I understand that that was of temporary construction, a wooden building, and is not fireproof; is that true?

Mr. COX. Thomasville is both wood and brick, both permanent and temporary, but nevertheless it represents a large expenditure; an expenditure, as I say, in the neighborhood of $6,000,000, and there are those within the Veterans' Administration that recommended that Thomasville be retained; that the temporary buildings be abandoned, and that needed new construction be provided. Still, because of this political interference the Board, or whoever made the decision, was compelled to accept Tallahassee.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Ohio.

Mr. ELSTON. How much will it cost if they abandon the hospital at Thomasville and build a new hospital at Tallahassee?

Mr. COX. You would not realize 2 percent on the Thomasville investment. The Tallahassee hospital, it is estimated, will cost $4,372,000. The pending bill makes an appropriation of $1,899,160. All that I am requesting of the House is that they adopt this amendment and delay the construction or the beginning of construction of the Tallahassee hospital in order that there may be a new examination, a new survey, a new determination of the whole question. This is a reasonable request and I submit that that it is what this House should do.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Let me ask the gentleman from Georgia this question: Is not the Thomasville hospital a 1,500-bed hospital?

Mr. COX. I believe it is a 1,700-bed hospital, yes.

Mr. JOHNSON of Oklahoma. And there is this waiting list in the fifth area.

Mr. COX. We have a waiting list in the area of about 2,500. Now, let me say this to you. General Hawley said that they experienced difficulty in obtaining sufficient personnel to meet their needs. Well, there sits before me one of my colleagues who recently, in behalf of two nurses, made application for positions at Thomasville, and he was advised that they had a long waiting list and could not take care of these two graduate nurses.

That is the situation, my friends. With all these veterans on the waiting list wanting hospitalization, here you find the Veterans' Administration in an effort to justify a bad decision, abandoning existing facilities of which use should be made.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. What is the size of the hospital they are anticipating building in Tallahassee?

Mr. COX. A 200-bed hospital.

Mrs. BOLTON. And they are abandoning one having 1,700 beds?

Mr. COX. The Thomasville hospital is around 1,700.

Mrs. BOLTON. Almost 2,000, I believe by actual occupancy.

Mr. COX. Yes. The hospital is still active on a limited basis.

Mrs. BOLTON. And there are doctors in Thomasville who do give their service to these hospitalized veterans.

Mr. COX. That is very true.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Pennsylvania.

Mr. RICH. If we do not pass the gentleman's amendment, then they will construct a hospital at Tallahassee and they will do away with the one at Thomasville; is that the situation?

Mr. COX. That is true.

Mr. RICH. And then the place that they now have for hospital facilities at

Thomasville will be absolutely worthless.

Mr. COX. That is right.

Mr. RICH. That certainly is a foolish thing for anybody to do, is it not?

Mr. COX. I think so, sir.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. SIKES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, at the proper time an amendment will be offered to separate the language affecting the Tallahassee Hospital from the language of the pending amendment, in which, of course, it has no proper place.

Mr. Chairman, I dislike very much to find myself in oposition to my distinguished and beloved friend from Georgia, who occupies a place of great influence in this House. However, I believe that if he were in full possession of all the facts he would have hesitated to take the position he did here even though his own district is affected.

Obviously, Mr. Chairman, we cannot select sites for veterans' hospitals on the floor of the House, however much some of us would like to. It would result in a hodge-podge based on political pressure; it would be pork-barrel politics of the worst sort, jeopardizing the lives and well-being of the boys whose welfare is one of our greatest responsibilities. We do not want to take chances on those things. It would result in the exact type of politics the gentleman is objecting to.

If there is a need for the hospital at Thomasville at the moment, I have no objection to its continuing to operate but we are thinking about a long-range program, and we must plan for a long-range program and build for a long-range program which will insure the proper hospitalization for the Nation's veterans. Thomasville General Hospital is a one-story, temporary, nonfireproof structure, of frame construction, with some asbestos siding and shingling and temporary wallboard siding. The type of construction makes the building extremely difficult to heat, and, therefore, it is hard to maintain a comfortable and a safe temperature. It is very costly to maintain that temporary type of structure. Recreational outlets at Thomasville are limited, train service is limited, and there is no air service. Proper staffing of the hospital, according to the Veterans' Administration's testimony is extremely difficult. Actually they say it is impossible. There is insufficient housing accommodations for the staff, and insufficient accommodations for visiting relatives. No transportation facilities are provided to and from the hospital from the city.

By contrast, Tallahassee, a considerably larger city, the capital of the State of Florida, and a cultural, educational, and industrial center for north Florida, offers advantages which this committee cannot afford to overlook and which the Veterans' Administration did not overlook. There are two State colleges of splendid standing which offer library and research facilities important to an institution of this sort. There is north-south and east-west air service. There is more adequate train service. There are housing and other facilities which were provided in connection with Dale Mabry Air Field, now inactivated.

The temporary hospital at Thomasville was inherited from the Army. It was not designed for permanent operation, and the cost of operation of this structure, according to the testimony that is in the record, would in a short time involve an expenditure almost equivalent to the construction of a new fireproof hospital which is considered to be adequate to the needs of that area in the years to come.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Georgia.

Mr. COX. The gentleman says the record will show that the operation of the hospital at Thomasville is excessively high. If he will examine the record, he will find that prior to the Veterans' Administration starting this effort to make a bad record it ranked as second in economy to any the Army operated.

Mr. SIKES. I submit to the gentleman that all records show that the maintenance of temporary construction is infinitely higher than the maintenance of permanent construction. Maintenance alone at Thomasville will soon cost as much as a new, adequate hospital at Tallahassee.

At Tallahassee we have designed a new fireproof hospital. It is designed for efficiency, designed to give every comfort to the veterans. There is no comparison between the operating cost of a hospital such as the present one at Thomasville and one of the design approved by the Veterans' Administration for construction at Tallahassee.

Mr. KEEFE. Mr. Chairman, will the gentleman yield? I would just like to make a suggestion. I think many Members of the House are exceedingly interested in knowing about this situation and are intrigued by the statement of the gentleman from Georgia that some political considerations have caused this situation and the inference was that some distinguished gentleman from Florida, not the gentleman now addressing us, but someone else, has manipulated this situation. I would like to have the gentleman address himself to that matter.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. SIKES. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Chairman, I think I am as familiar with the circumstances involved in the selection of this hospital as anyone present could be. I followed the entire matter throughout the period of selection of site.

The Veterans' Administration was committed to the construction of a hospital in northwest Florida long before Tallahassee was selected as the site for the construction of the building. The area is so located that the veterans living there and in the sections of the States immediately adjoining northwest Florida found it difficult to receive hospital attention which they required. They had to travel long distances and go into other States to receive the services to which they are entitled and which we want them to have. The Veterans' Administration has long realized the need for a veterans' facility in that area and committed themselves to the construction of a hospital there long before Tallahassee was selected as the site for its construction.

Tallahassee was actually selected as the site by the Veterans' Administration after a number of communities had offered sites within the area.

For the information of those who are interested, Tallahassee was selected as a site after President Truman took office. This removes the authenticity of the story being whispered here today. I am convinced that no political consideration affecting anyone prominent in politics in Florida today entered into the decision by the board to use the Tallahassee area.

The land for the hospital at Tallahassee has been acquired, costly planning has been completed, and the work of construction is now ready to proceed on the building.

I think it important to point out that there is no assurance that Thomasville could be used or would continue to be used for more than a very limited period, because of the temporary type of construction there, even if the amendment before you were to prevail.

Let me say again we are building for a long-range program. There are many structures such as the one at Thomasville that have been offered to the Veterans' Administration throughout the Nation, but we cannot select sites for veterans' hospitals on the floor of the House. We must depend on somebody who will take into consideration the geographical location, the veterans' population, and the distances to hospitals, and we must follow their advice, we must follow the advice of responsible agencies of our Government if we are to have an orderly program which will adequately provide for the men whose lives and health are now in our keeping.

Mr. Chairman, I trust that the gentleman's amendment will not prevail.

Mr. HENDRICKS. Mr. Chairman, I ask unanimous consent that debate on this paragraph and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. TALLE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, inasmuch as the discussion in the House at the moment centers around veterans' hospitals, I should like to inform my colleagues of the struggle I have had and am still having, for that matter, in trying to get the Veterans' Administration to make use of a first-rate facility in my district. I refer to Schick General Hospital located at Clinton, Iowa.

This hospital was authorized by the War Department in early 1942. Construction was started in June, most of the buildings were completed by December, and the first patients were admitted in March of 1943. The selection of Clinton as the locale for this Army installation was by no means haphazard. For your information, Clinton is an enterprising, up-to-date city of about 35,000 population located on the Iowa banks of the Mississippi River. It is in the geographical center of an area bounded by Chicago, the Twin Cities, Omaha, and St. Louis. There are excellent transportation facilities—rail, air, and highway—in every direction.

The hospital occupies about 160 acres of land in the northwestern part of the city on the bluffs overlooking the Mississippi. The citizens of Clinton donated some $85,000 to purchase the site as a gift to the Federal Government. The buildings are two stories high, of cinder block construction with brick veneer, and so arranged that they can be utilized economically in whole or in part as circumstances may warrant.

In addition to medical facilities, the institution has all modern conveniences for the rehabilitation of patients, including a chapel, a Red Cross auditorium, a beautiful swimming pool, a large gymnasium, an outdoor athletic field, tennis courts, a theater, a post exchange, visitors' buildings, and mess halls.

The outstanding war record of this hospital continues to be a source of genuine pride not only to the residents of Clinton but to all the citizens of Iowa and Illinois as well. On several occasions during the war more than 3,000 patients were hospitalized in the wards of this well-equipped institution.

Even before VJ-day I called on the Veterans' Administration to make plans for utilizing these splendid facilities. In response, the Veterans' Administration has engaged in a campaign of evasive, phony excuses suggesting that Schick is not needed and not suitable—and, meanwhile, has gone ahead with plans for a building program calculated to cost many millions at a time when costs are very high because materials and labor are very scarce.

At present I have a bill pending before the House Committee on Veterans' Affairs directing the Veterans' Administration to occupy and use this hospital. The text of my bill, House Concurrent Resolution 26, is as follows:

Whereas hospital facilities used by the Veterans' Administration in Iowa and Illinois at the present time are inadequate to meet the needs of veterans residing in the area of those two States; and

Whereas there are available for use existing facilities owned by the United States Government and known as Schick General Hospital, Clinton, Iowa; and

Whereas these hospital facilities are suitable for use as a modern hospital and are well located for hospitalizing veterans residing in Iowa and Illinois; and

Whereas the State Legislatures of Iowa and Illinois have during the current year adopted resolutions recommending that the Veterans' Administration utilize these hospital facilities: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the judgment of the Congress of the United States that Schick General Hospital, Clinton, Iowa, be occupied and used by the Veterans' Administration for the care of veterans.

Mr. Chairman, in order to gain firsthand knowledge of the merits of my bill, the Hospital Subcommittee of the House Veterans' Affairs Committee recently sent a delegation consisting of the gentleman from Pennsylvania [Mr. CROW], the gentleman from Texas [Mr. TEAGUE], and the gentleman from Indiana [Mr. MITCHELL] to Clinton to make an on-the-spot inspection of Schick Hospital. The delegation arrived there to find the War Assets Administration, which has temporary control of the property, engaged in disposing of equipment in a ridiculous manner—heating tables valued at $35 each were being sold for $1 apiece, beds were being given away, and so forth. It is to the everlasting credit of this committee that prompt action was taken to stop further disposal of this valuable equipment until a decision on the disposition of Schick Hospital has been made by the Congress. Although the delegation's official report has not as yet been made public, I know that all the members were deeply impressed by the substantial construction and splendid facilities of this institution which is available for use by the Veterans' Administration merely for the asking.

Mr. Chairman, Schick Hospital cost the people of the United States something more than $10,000,000. Yet, it stands idle while hundreds of veterans in Iowa and Illinois, who need medical attention, are being denied hospitalization. In the meantime, despite the high cost of building materials of all kinds, and the acute shortage of some materials, the Veterans' Administration goes ahead with grandiose plans for new construction. This proposed program will not only interfere with the construction of homes for all veterans but will deny immediate hospitalization to disabled veterans who need medical attention now. Is this fair? Is this just? Is this economy? Mr. Chairman, House Concurrent Resolution 26 should be approved in the interest of the veteran who needs hospitalization immediately, in the interest of the taxpayer who needs relief from his tax burdens, and in the interest of ordinary, practical common sense.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HENDRICKS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HENDRICKS to the amendment offered by Mr. SMITH of Virginia: Strike out the following words in said amendment: "or for the purchase or condemnation of a site or erection of a hospital in Tallahassee, Fla."

The CHAIRMAN. The gentleman from Florida is recognized for 10 minutes under the arrangement made as to the division of time.

Mr. HENDRICKS. Mr. Chairman, I hate to find myself in opposition to the position taken by my friend the gentleman from Georgia, [Mr. COX], or by my friend the gentleman from Virginia [Mr. SMITH], but I find it necessary to bring out the facts before this House this afternoon.

First let me say this is a most unusual procedure, because when the Rules Committee reported the rule they had two things in mind, and this amendment includes those two things. So we are going to permit two members of the Rules Committee to decide about what they want to do about two hospital sites in their respective territories and the other Members of this House are compelled to abide by the decision of the Hospitalization Board. I would not even object to that if it were not for the fact that we are opening the gate for every Member of Congress to come in and say "This location is not proper; I want it in my district." Let me give you a little example. While the gentleman from Georgia was talking I heard a Member say: "Well, if he can do it, so can I. There is a hospital in my area that I do not think is properly located. I think it should be in my district." I heard another Member talking just a moment ago about the improper location of a hospital.

If you adopt this amendment you open the gates to every Member of Congress to come in here and try to change the location of sites already determined for these hospitals.

We went through that process last year. I was chairman of this subcommittee dealing directly with the Veterans' Administration, and I may tell you a personal story, that they intended to locate a neuropsychiatric hospital in the South and in the State of Florida. I had a very fine city that offered a location free of all cost and every other advantage they could think of to induce the Veterans' Administration to bring that hospital into my congressional district. They determined on a different location than we put up, and in spite of all my persuasion they took that hospital out of my district.

I do not think a member of the Rules Committee should be allowed to come in here and change the location of a hospital already decided upon and place it somewhere else where he wants it. That is a matter that should be left to the Veterans' Administration.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I will be glad to yield.

Mr. COX. Does the gentleman realize that under the pending amendment any other Member with a situation on his hands similar to that which is on mine can do the same as I am doing?

Mr. HENDRICKS. I recognize that only too well. That is exactly what I have just said, that we are opening the gate to everybody, and it should not be done.

We should defeat both these amendments. Now, I should like to go a little further. It may seem partisan because I am trying to strike out the last part of this amendment, but I am going to offer an amendment also to the amendment of the gentleman from Virginia to keep this in accordance with what we did last year.

Let me say this to you, Mr. Chairman: Something was said here about a political debt that was being paid. Of course, no names could be called, but everyone got the significance of it. Of course, you are indulging in prejudice; I know that.

I am not always in accord with the gentleman to whom the debt is supposed to have been paid, but I want to say that rumor is absolutely false. In the first place, persuasion could be brought easily by anybody on either side on the Veterans' Administration.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I yield to the gentleman from Georgia.

Mr. COX. Does the gentleman say that the statement I made that political considerations did intervene, that it was based upon that premise that the hospital was located at Tallahassee, is false?

Mr. HENDRICKS. I do not say that the gentleman himself is telling an untruth, but his source of information is false.

Mr. COX. The gentleman is ignorant of the facts in the case and if he will take the pains to make an honest investigation he will find that the statement I made is justified by the authority he now seeks to invoke.

Mr. HENDRICKS. I may be ignorant, but I am not so ignorant that I do not know the background of this whole situation and I am going to tell it to you right now.

Everyone knows Judge Tarver, who was a member of the Appropriations Committee. You had great admiration and respect for him. Before it was decided to construct this building at Tallahassee, Judge Tarver made every effort in the world to have the Veterans' Administration take over the hospital at Thomasville, Ga. Every member of the committee wanted to help Judge Tarver and we actually called the Veterans' Administration to go over the thing, review it again and see if it could be done, because we did not want to spend money for any hospital when there was one available that could be used to better purpose. The Veterans' Administration finally said, "We cannot use this, we have no intention of using it as a permanent hospital; we are going to build in Tallahassee, Fla." The committee sustained the Veterans' Administration in spite of their great admiration, love, and respect for Judge Tarver. If we did not do that for Judge Tarver, I do not see why we should do it for my esteemed friend the gentleman from Georgia [Mr. COX]. Those are the facts in the case.

We had this same situation up last year, and many Members of the Congress, when we were talking about locations, came in and said: "The Army has abandoned this hospital. Why do you not have the Veterans' Administration use it?" I got letters from my district that the Army and Navy had built hospitals there and saying: "Why do you not have the Veterans' Administration use these instead of spending money for new construction hospitals?" The only answer, Mr. Chairman, if you are interested in the welfare of the veteran, is that the Veterans' Administration cannot afford to use these ramshackle, half-frame, half-fireproofed, unheated buildings for the care of the veterans.

In spite of the fact that my friend from Georgia says this hospital is of permanent construction and is fireproof, the Veterans' Administration reported to us last year, because we asked for a report on the condition of every hospital, that hospital is built of gypsum blocks and asbestos shingles. In the hearings this year the gentleman from Texas [Mr. THOMAS] asked General Hawley about this. I did not ask one single question. I did not know this amendment was coming up. The gentleman from Texas asked about the difference in cost between the Thomasville hospital and the Tallahassee, Fla., hospital. General Hawley pointed out the defects in the Finney Hospital and said it could not be properly heated, that the cost of that hospital within 6 years would be more than the construction cost of the hospital in Tallahassee, Fla., and remember, Mr. Chairman, this is not a program of the moment. If this were an emergency I would say, "Use any hospital until we can do something better," but it is not a program of the moment. We will not reach the peak of our hospitalization until 1970. You will have something like 30 years yet and you have to use these buildings. In 30 years the Finney Hospital will cost five times what a new hospital under one roof, built for the purpose of taking care of these veterans in a proper manner, giving them proper heat and light, air conditioning and the things that they need, will cost. It will cost five or six times as much. The whole point is, as I say to you again, that the Committee on Appropriations went over this thing last year. We followed a certain procedure. We made it clear to the House, and I made it clear in my statement on this bill last year, that whenever any Member of Congress was dissatisfied with the location of a hospital, that they were to report it to the committee and we would take it up with the Veterans' Administration, hold hearings, and decide what was to be done. That is exactly what ought to be done with these two sites, including both Tallahassee and the one in Virginia. I am offering the amendment to strike out the one in Tallahassee for the simple reason that the Veterans' Administration has reported to us that they never intended to use Thomasville as a permanent hospital. It would be unsuitable. It is not fireproof. Those are the simple facts of the matter, my friends.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I yield to the gentleman from Florida.

Mr. SMATHERS. I would like to ask the gentleman if he thinks it is fair or proper for one gentleman, who makes a good case as to why a hospital should be placed in a certain place in his district, to go further and add to his amendment an objection to a site in somebody else's State 800 miles away and try to say in that amendment that a hospital should not be built in a location in that district outside of his own.

Mr. HENDRICKS. I do not think the two amendments should ever have been combined at all. I hope that this amendment I offer is adopted, after which I propose to offer another amendment to the amendment.

The CHAIRMAN. The time of the gentleman from Florida has expired.

The question is on the amendment offered by the gentleman from Florida [Mr. HENDRICKS] to the amendment offered by the gentleman from Virginia [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. HENDRICKS) there were—ayes 45, noes 48.

Mr. HENDRICKS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HENDRICKS and Mr. COX.

The Committee again divided, and the tellers reported that there were—ayes 48, noes 69.

So the amendment to the amendment was rejected.

Mr. HENDRICKS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. HENDRICKS to the amendment offered by Mr. SMITH of Virginia: At the end of said amendment insert "until the Committee on Appropriations of the House of Representatives has investigated and given final approval."

Mr. HENDRICKS. Mr. Chairman, I ask unanimous consent that the amendment offered by the gentleman from Virginia may be read as modified by my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia as modified by the amendment offered by Mr. HENDRICKS: On page 51, line 20, strike out the period and insert a semicolon and the following: "*Provided further*, That no part of the funds appropriated in this bill or any funds heretofore made available, including contract authorizations, shall be used for the purchase or condemnation of the site or for the erection of a hospital on the tract of land in Arlington County, Va., known as the A. M. Nevius tract, situated at the intersection of Lee Boulevard and Arlington Ridge Road, containing approximately 25.406 acres; or for the purchase or condemnation of the site or erection of a hospital in Tallahassee, Fla., until the Committee on Appropriations of the House of Representatives has investigated and given final approval."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida to the amendment offered by the gentleman from Virginia.

Mr. SMITH of Virginia. I have no objection to the amendment, Mr. Chairman.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. SMITH].

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. WIGGLESWORTH. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SPRINGER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3839) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WIGGLESWORTH. Mr. Speaker, I move the previous question on the bill, and all amendments thereto, to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

JUVENILE COURT OF THE DISTRICT OF COLUMBIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 329)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk and, together with accompanying papers, referred to the Committee on the District of Columbia and ordered printed, with illustrations:

To the Congress of the United States:

I transmit herewith for the information of the Congress a communication from the judge of the juvenile court of the District of Columbia, together with a report covering the work of the juvenile court for the fiscal year ended June 30, 1946.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 18, 1947.*

EXTENSION OF REMARKS

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD and include two articles and a speech by Mr. Joseph E. Casey.

Mr. GORE asked and was given permission to revise and extend the remarks he made earlier today, and to include certain tables.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech made by Mr. Henry A. Wallace last night. I have been advised by the Public Printer that the cost will be $189.34. Notwithstanding, I ask that the extension be made.

The SPEAKER. Notwithstanding, and without objection, the extension may be made.

There was no objection.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD in two instances and include excerpts.

Mr. HARLESS of Arizona asked and was given permission to extend his remarks in the RECORD.

Mr. PETERSON asked and was given permission to extend his remarks in the RECORD and include Senate Concurrent Resolution No. 7 of the Florida Legislature.

Mr. SMITH of Virginia asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include certain letters.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD in two instances and include a newspaper article.

Mr. VAN ZANDT (at the request of Mr. PHILLIPS of California) was granted permission to extend his remarks in the Appendix of the RECORD.

PERMISSION TO FILE REPORT BY WAYS AND MEANS COMMITTEE

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight on Friday of this week within which to file a report on the bill H. R. 3861.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

WAR DEPARTMENT ENLISTMENT BILL

Mr. ANDREWS of New York. Mr. Speaker, on Tuesday the House passed the bill H. R. 3303, the so-called War Department enlistment bill. The Senate passed Senate 1213, striking out all after the enacting clause in the House bill and substituting the Senate provisions. By motion of the Senate today, they request a conference. That is being messaged over to the House. I move that we agree to the conference and that the Speaker appoint conferees.

The SPEAKER. The Chair would inform the gentleman from New York that the papers have not yet arrived, and the request to agree to the conference and appoint conferees is not in order at this time.

EXTENSION OF REMARKS

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD in two instances; in one to include an editorial from the Washington Post, and in the other to include an editorial from the Washington Post and some remarks by Vicente Villamin.

Mr. TABER asked and was given permission to extend his remarks in the RECORD and include certain tables which he had prepared.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD and to include a speech by the wife of the Ambassador from Brazil.

Mr. ROHRBOUGH asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RIZLEY (at the request of Mr. SCHWABE of Oklahoma) was granted permission to extend his remarks in the Appendix of the RECORD.

REORGANIZATION PLAN NO. 3

Mr. HOFFMAN. Mr. Speaker, I move that the House proceed to take up House Concurrent Resolution 51, which does not favor Reorganization Plan No. 3 of May 27, 1947, and, pending that motion, I ask unanimous consent that the resolution may be considered in the House as in the Committee of the Whole and that general debate be limited to 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress does not favor the Reorganization Plan No. 3 of May 27, 1947, transmitted to Congress by the President on the 27th day of May 1947.

The SPEAKER. The gentleman from Michigan is recognized for 5 minutes.

Mr. HOFFMAN. Mr. Speaker, I understand there is no objection to this resolution.

I yield to the gentleman from Alabama [Mr. MANASCO], ranking minority member of the committee, to explain the resolution and any opposition, if any there be.

Mr. MANASCO. Mr. Speaker, a similar plan was sent up during the Seventy-ninth Congress and rejected by the House.

This plan reorganizes the housing agencies of the Government. Our committee thinks these agencies should be reorganized but we do not think the lending and insuring agencies should be placed in the same organization with the construction agency.

I have no requests for time on this side. That is the only issue involved.

Mr. HOFFMAN. Mr. Speaker, I have no further requests for time.

I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to. A motion to reconsider was laid on the table.

DISPOSAL OF WAR HOUSING

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3492) to provide for the expeditious disposition of certain war housing and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3492, to provide for the expeditious disposition of certain war housing, with Mr. SCHWABE of Oklahoma in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Thursday, June 12, the Clerk had completed reading section 4 and

there was pending an amendment offered by the gentleman from Alabama [Mr. RAINS].

Without objection, the Clerk will again report the Rains amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. RAINS:

On page 4, immediately following section 4, add the following new section:

"Transfer of war housing to the War or Navy Department.

"SEC. 5. Notwithstanding the provisions of this act or any other provision of law, the Administrator may in his discretion upon the request of the Secretaries of War or Navy transfer to the jurisdiction of the War or Navy Department any war housing that may be considered to be permanently useful to the Army or Navy."

Renumber sections 5, 6, 7, 8, 9, and 10, as sections 6, 7, 8, 9, 10, and 11, respectively.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Rhode Island.

Mr. FORAND. Mr. Chairman, the purpose of my asking the gentleman to yield to me now is that before the Committee rose the last time we considered this bill there was considerable confusion in the House. I rose and made a point of order with the intention first of all of calling attention to the fact I had an amendment to the body of the section which should be considered ahead of the amendment offered by the gentleman from Alabama; however, there was so much confusion my point was made that the House was not in order and before I could obtain recognition the Chair recognized the gentleman from Michigan [Mr. WOLCOTT] and the Committee rose. As a parliamentary inquiry, Mr. Chairman, I want to know whether or not my amendment can be considered following the amendment offered by the gentleman from Alabama [Mr. RAINS] or will I be deprived of the opportunity to offer my amendment if the gentleman from Alabama [Mr. RAINS] proceeds?

The CHAIRMAN. The Chair holds that the gentleman's amendment will be in order following consideration of the amendment offered by the gentleman from Alabama if it is in connection with the preceding paragraph.

Mr. FORAND. It is in the body of that section.

The CHAIRMAN. The Rains amendment will then be held in abeyance pending action on the gentleman's amendment.

Mr. FORAND. Therefore I get recognition and Mr. RAINS follows.

The CHAIRMAN. The gentleman from Alabama [Mr. RAINS] has the floor. The gentleman will succeed him in recognition.

Mr. FORAND. I will not be precluded from offering my amendment?

The CHAIRMAN. No; the gentleman will not be precluded.

Mr. RAINS. Mr. Chairman, I have offered the amendment which you have heard read in the interest of preserving certain war housing for the Army and Navy. First of all may I say that, in my judgment, this bill in some respects is a good bill and in some respects it very much needs amending. I may say also that I do not rise with any idea of preserving war housing for the Army and Navy in my district, because I have none. If you will read this bill carefully you will find it does five specific things. Among the things not mentioned it does this: It would eliminate the provision now contained in the Lanham Act permitting the transfer of permanent projects to the War and Navy Departments.

I want to read to the Committee, if I may, a letter from the Secretary of War addressed to the Speaker:

The SPEAKER,
House of Representatives.

DEAR MR. SPEAKER: It has been noted that H. R. 3492, a bill "to provide for the expeditious disposition of certain war housing and for other purposes," introduced on May 15, 1947, has been reported out of the committee by Report No. 414, dated May 21, 1947, and was referred to the Committee of the Whole House on the State of the Union.

The purpose of H. R. 3492 is to transfer the functions of the National Housing Administrator and the National Housing Agency to the Federal Works Agency, effective upon enactment of the bill. The Administrator is charged with selling for cash prior to December 31, 1948, all housing projects so transferred and to give preference to veterans for the purchase of this housing.

Housing is one of the major shortages of the Army and one which vitally affects morale. Under the types of housing to be transferred fall many projects which currently have been requested of the National Housing Administrator to be transferred to the War Department. Approximately 24 of these projects are in the hands of the National Housing Administrator for final action. In addition, eight other projects are under consideration by the War Department for ultimate transfer. If H. R. 3492 is enacted in its present form the War Department would be deprived of many projects sorely needed for family housing.

It is pertinent to note that upon transfer of these projects to the War Department under existing law, tenants who are currently occupying the units are permitted to remain and are not evicted except for legal cause. As the projects requested by the Department for transfer are situated at or near active military installations, it has been found that at least 50 percent of such projects are available for occupancy by military personnel.

Inasmuch as the War Department was not requested for comments on this measure while it was being considered by the committee, it is recommended that the attached amendment be considered by the House when this measure is under consideration. The amendment would merely permit the continuance of existing law which authorizes transfers to the War and Navy Departments of such projects as may be determined to be permanently useful to the Departments concerned.

I understand informally that the Secretary of the Navy is making a similar recommendation to you.

Due to the lack of sufficient time, this report is submitted without a determination by the Bureau of the Budget as to whether it conforms to the program of the President.

Sincerely yours,

_____,
Secretary of War.

Mr. Chairman, I should like to call the attention of the committee also to the fact that neither the War nor Navy Department was given permission or did appear before our committee or had an opportunity to appear, not knowing what the provisions of the bill were to be.

I would also like to call the committee's attention to the following letter, addressed to the gentleman from New York [Mr. ANDREWS], chairman of the Armed Services Committee, by Mr. John Nicholas Brown, Acting Secretary of the Navy, in which he states that available funds are inadequate to meet the over-all problem for new construction and that many of these very buildings which we are now taking away from the Army and Navy were built by funds appropriated to the Navy:

THE SECRETARY OF THE NAVY,
Washington, May 26, 1947.

Hon. WALTER G. ANDREWS,
Chairman of the Committee on Armed Services, House of Representatives.

MY DEAR MR. CHAIRMAN: The Navy Department has noted the introduction of the bill (H. R. 3492) to provide for the expeditious disposition of certain war housing, and for other purposes. This measure was reported to the House of Representatives from the Committee on Banking and Currency on May 21, 1947 (Rept. No. 414) and was committed to the Committee of the Whole House on the State of the Union.

The purpose of the measure is to provide for the disposition of permanent housing accommodations constructed under authority of the so-called Lanham Act (Public Law 849, 76th Cong.), as amended; Public Law 781, Seventy-sixth Congress; Public Laws 9, 73, and 353, Seventy-seventh Congress; and Public Law 140, Seventy-eighth Congress. The task of supplying these needed housing accommodations under the Lanham Act was delegated to the Federal Works Administrator when that act became law on October 14, 1940, and was subsequently transferred to the National Housing Agency pursuant to Executive Order 9070 of February 24, 1942, which agency exercises jurisdiction at the present time through the Federal Public Housing Authority.

Existing law governing disposal of war housing under the control of the Federal Public Housing Authority authorizes the Administrator of that agency to transfer to the jurisdiction of the War and Navy Departments such housing as may be considered to be permanently useful to the Army or Navy, when the respective Secretaries request such transfer. These transfers have been made without an exchange of funds, and although not specifically required by the Lanham Act, it has been the policy of the National Housing Agency to extend priority to the armed services over disposition to non-Federal interests.

The measure under consideration does not authorize transfers to the War and Navy Departments without exchange of funds on a priority basis. The acquisition of war housing for families of naval personnel, pursuant to the transfer provisions now contained in the Lanham Act, is of major importance in meeting the Navy Department's housing requirements for married enlisted personnel and junior officers during the postwar period. If authority to acquire such housing without exchange of funds is terminated, or not provided for as in the case of H. R. 3492, the Navy Department will lose the opportunity to obtain housing facilities considered permanently useful to its shore establishments.

Naval personnel are ashore for comparatively brief periods of time during their careers in the service. It is essential to their morale that they have an opportunity to be with their families during the time they are assigned to duties ashore. Available funds are inadequate to meet this over-all problem by new construction. Consequently, acquisition of federally owned housing which has

been terminated for war use must be undertaken to meet permanent requirements without the necessity of further appropriating public funds for this purpose.

The Navy Department has submitted a list of war-housing projects desired for transfer to the Administrator of the National Housing Agency. Many of these projects were constructed with funds originally appropriated to the Navy Department and are occupied by naval personnel. Enactment of H. R. 3492 would result in the disposal of these projects to non-Federal interests, whereas the facilities are still required for the purpose for which they were originally authorized and constructed.

In view of the foregoing, it is requested in order to protect the interests of the War and Navy Departments, and in the interests of economy, that the following amendment be presented from the floor in the event that the House of Representatives considers the bill H. R. 3492:

On page 4 immediately following section 4 add the following new section:

"TRANSFER OF WAR HOUSING TO THE WAR OR NAVY DEPARTMENTS

"SEC. 5. Notwithstanding the provisions of this act or any other provision of law, the Administrator may, in his discretion, upon the request of the Secretaries of War or Navy, transfer to the jurisdiction of the War or Navy Departments any war housing as may be considered to be permanently useful to the Army or Navy."

Renumber sections 5, 6, 7, 8, 9, and 10 as sections 6, 7, 8, 9, 10, and 11, respectively.

It is understood that the Secretary of War is forwarding a similar proposal for your consideration.

The Navy Department has not been advised by the Bureau of the Budget as to the relation of this report to the program of the President.

Sincerely yours,

JOHN NICHOLAS BROWN,
Acting Secretary of the Navy.

So I say to the Committee simply that I can see no rhyme or reason in taking away from the Army or Navy much needed buildings in nearby installations of the Army and the Navy. I can see no reason for taking from the Army and Navy Departments the buildings they need, and for that reason I submit that there should be an amendment as such adopted to this bill which would retain for the Army and Navy the benefits they now have under the Lanham Act. I have no other reason except to say it does not make sense to take away from the Army and the Navy those houses which we allowed them to get under the Lanham Act.

The CHAIRMAN. Further action on the Rains amendment will be withheld for the time being, and the gentleman from Rhode Island [Mr. FORAND] is recognized.

Mr. FORAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORAND: Page 4, line 5, after the word "project" strike out the period and insert "except that municipalities in which such housing projects are located such municipality or a local housing authority thereof shall have 90 days from the day of the passage of the act in which to exercise priority of purchase of such housing project as a single unit: *Provided*, That the transferee shall agree for itself, its successors, transferees or assigns that until December 31, 1951, families of veterans and servicemen (as defined in the Lanham Act) shall be given a preference for all vacant dwelling units."

Mr. FORAND. Mr. Chairman, this amendment, I believe, is very clear. It does but one thing. It gives priority either to the city or the Housing Authority to purchase as a unit a project within their own locality and it gives them priority of purchase of the whole project as a unit.

Now, there are several projects throughout the United States that come within this category. I have one in my own State. All the veterans' organizations, as well as the city administration, that is, the city council, have asked that the opportunity be given to the city or to the Housing Authority to purchase that project as a unit so that they would not be disturbing those people who live in them now, most of whom are veterans. They have gone so far as to ask the State legislature, and obtained permission from the legislature, to float bonds for the purchase of this project.

This project I have in mind is in the city of Newport, and those of you who were here in the last Congress know the many headaches we had in that city in the past as the result of the activities of some of our Government departments. There has been a constant state of uncertainty on the part of the people of Newport as a result of the closing down of the naval torpedo station. Many veterans, both veterans of World War I and World War II, were employed at the torpedo station and lived in this project known as Tonomy Hill. There is great fear that if there is to be a sale made piecemeal, that some group, some organization, using the veterans as a front, will find ways and means of obtaining possession of this project and the result will be that many of the veterans—and there are three-hundred-and seventy-some-odd units in the project—will find themselves out on the street with no place to go because housing is very, very short in that territory. For that reason, Mr. Chairman, I hope the committee will accept this amendment.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Louisiana.

Mr. ALLEN of Louisiana. If the city acquires the property, the city can then turn around and deed it to the veterans.

Mr. FORAND. Not under the provisions of the agreement called for in my amendment, because there is a proviso that the transferee shall agree for itself, its successors, transferees, or assigns, that until December 31, 1951, families of veterans and servicemen, as defined in the Lanham Act, shall be given a preference for all vacant dwelling units.

Mr. ALLEN of Louisiana. That is for rental purposes, but how about the sale? Cannot the veteran buy some of that from the city?

Mr. FORAND. Perhaps that could be worked out eventually, but at any rate they will be protected for the present.

Mr. Chairman, I hope my amendment will be adopted.

Mr. WOLCOTT. Mr. Chairman, the amendment should not be adopted for several reasons. In the first place, these municipalities, had they wanted to buy these properties for other than low-rent use, have had nearly 2 years in which to do so. It is improbable that a municipality which has not acted up to the present time would do so for any purpose than possibly to defeat the very purpose of this act.

I realize that in respect to most of these projects there are local conditions which presumably must be met, but we cannot legislate for all these projects to meet one particular condition; we cannot let the exception prove the rule. We have laid out a program which would apply best and most equitably to all the projects which have to be disposed of.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Rhode Island.

Mr. FORAND. The only reason the people of Newport did not act before now is that under our State law they could not obtain the funds. They have applied to the State legislature and now have permission to float bonds for the purchase of the project.

Mr. WOLCOTT. This may be an unfortunate case, but I do not see any reason why we should delay the disposal program for 3 years to accommodate any particular community. That is the point. This program primarily is to get housing, good housing, as cheaply as possible for as many veterans as possible. Although the gentleman's amendment would seemingly reserve these properties for veterans for 3 years, they would be reserved for that short period of time only for rental purposes. These properties are depreciating every day. The market is changing. This program has a termination date on it, for the very reason that we can foresee that the program we have set up at the present time for the present disposal of these properties may not apply 3 or 4 years from now.

The committee has given much time and consideration to this bill, and we have done the most equitable thing we could do in respect to all the communities. I hope the amendment is not agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island.

The question was taken; and on a division (demanded by Mr. FORAND) there were—ayes 30, noes 56.

So the amendment was rejected.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the gentleman from Rhode Island a question. Did I understand you to say that the city of Newport was unable to take advantage of the opportunity of purchasing projects in Newport due to certain restrictions that existed from a legislative angle?

Mr. FORAND. Yes; because of their financial situation, it was necessary for them to obtain permission of the legislature to float the bonds necessary to raise the money to purchase the project.

Mr. McCORMACK. And if I understand the gentleman, legislative action in the State of Rhode Island was necessary before the city of Newport could take any action at all?

Mr. FORAND. That is correct.

Mr. McCORMACK. Can the gentleman advise the House as to when that action was taken by the legislature of Rhode Island?

Mr. FORAND. In the latter part of May.

Mr. McCORMACK. The city of Newport is desirous of having a project or projects located in Newport which come within the purview of this bill?

Mr. FORAND. The Tomony Hill project comes within the purview of this bill.

Mr. McCORMACK. Does the gentleman state that the city of Newport desires to purchase this project?

Mr. FORAND. Both the city and the housing authority of the city of Newport are anxious to get it. They do not care which one gets it but neither one could purchase it until the State legislature took action. That action was taken in the latter part of May.

Mr. McCORMACK. In other words, the city of Newport, desiring to purchase the project, was unable to do so because it did not have the authority in relation to the issuance of bonds; is that correct?

Mr. FORAND. That is correct.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

There is nothing in the bill to prevent the sale of this property to the city of Newport or to the municipality after the time in which the veterans may exercise their priorities terminates. In other words, after 180 days. If no veteran wants to buy this property, then the city can buy or anybody else can buy it.

I might say also if this bill is enacted there is nothing to prevent the city of Newport from buying it for low-rental purposes if they want to, and under existing law there is that provision.

Mr. McCORMACK. Mr. Chairman, I would like to get some information on this. It seems to me that we should try to give municipalities an opportunity of purchasing these projects if the municipality desires to do so, and the purpose of my taking this time was to develop the facts.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. FORAND. As the gentleman says, there is nothing to prevent the city from purchasing the property after everyone else has exercised their option in the list of preferences, but by that time the city will not be able to purchase the project as a single unit and, therefore, make it possible for them to operate it economically as a single unit.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WOLCOTT. It has been called to my attention that the city of Newport could not buy this property without the further action of the Congress under existing law anyway, it being reserved under an agreement with the FPHA for transfer to the city for low-rental purposes. When I say being reserved, I mean that sometime in the future you or the city of Newport would have to come to Congress to get specific authority to buy this property for low-rental purposes. There has been reserved more property than is being disposed of. That is the complaint that was made here the other day. Ordinarily, under existing law, you would have to come to Congress to get specific authority to buy this for such purposes. Under this act, you will not. If this bill is enacted, you can buy it subject, of course, to these priorities. I do not see that the town of Newport is in any different position than any other locality so far as that is concerned. There are something like seven-hundred-and-some-odd projects. I do not know the exact number, but there are hundreds of them anyway that are being reserved for this very purpose. There is no difference between the city of Newport and any of these other localities.

Mr. McCORMACK. If I understand my friend from Michigan correctly, with the passage of this bill the city of Newport will be able to have an opportunity of purchasing this project after 180 days have elapsed. Is that correct?

Mr. WOLCOTT. That is right, if no veteran wants to buy it.

Mr. McCORMACK. What groups would have the right to purchase within the 180 days?

Mr. WOLCOTT. Of course, I am not acquainted with the type and character of the property. If a unit can be split up into individual units, or if they are units for one, two, three, or four families, then the veteran occupant has first priority. The second priority is veteran nonoccupant; and then the nonveteran tenant has the third priority.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has again expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WOLCOTT. Then, next, organizations; corporate groups of veterans, who desire to buy the property for veteran occupancy, or who act as local agent for those who are buying property for occupancy by veterans.

The priority in each of these different classifications must be exercised as they have been graded, in 30, 60, 90, and 180 days. So that all priorities must have been exhausted at the end of 180 days, and the properties are open then, and the city of Newport, or anyone else who can negotiate a bid with the Federal Public Works organization can buy them, and can buy them without this restraint of having to come back to Congress to get specific authority.

Mr. McCORMACK. There are other groups outside of veterans who would have priority before the city?

Mr. WOLCOTT. No; just one. When the property has seen sold for single occupancy, then the third priority is the present tenant who may not be a veteran. But the highest priority is given to the veteran occupant. The second highest is given to the veteran nonoccupant, and the third is to the tenant.

Mr. McCORMACK. And then the city would come after that?

Mr. WOLCOTT. No. Then veteran organizations who wanted to buy the property for occupancy by veterans whom they represent.

Mr. McCORMACK. I yield to the gentleman from South Carolina [Mr. FOLGER].

Mr. FOLGER. The matter I had in mind has been answered by the chairman. These priorities are for veterans, in one category or another?

Mr. WOLCOTT. That is correct.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. FORAND. It boils down to this, does it not, Mr. Chairman, that the city of Newport, if I understood you properly, is not in a position to purchase today, because of existing law.

Mr. WOLCOTT. That is right.

Mr. FORAND. But the city of Newport will have to wait until all other priorities have been exhausted before they will be eligible to purchase?

Mr. WOLCOTT. Yes, sir.

Mr. FORAND. And therefore everything will be gone by that time.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has again expired.

We will now revert to the Rains amendment.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, many Members of Congress have been receiving letters and telegrams protesting the provision relating to low-rent housing in the Government corporations bill—H. R. 3756—for the fiscal year 1948. Also, I have examined with great care the CONGRESSIONAL RECORD of June 11, 1947, with particular reference to the comments of the Administrator of the Federal Public Housing Authority concerning the effect of this bill. I am likewise cognizant of some press comment to the effect that the action of the House imperils low-rent housing.

I desire to clarify for the benefit of all concerned the effect of the House action, and I shall comment specifically on statements made by the Administrator of the Federal Public Housing Authority.

Concerning the matter of failure to clear slum areas, the FPHA states they know of no evidence to support a statement that slum clearance has been almost completely ignored, and the statement was made that as of June 30, 1946, 90.8 percent of the eliminations had been made.

I invite attention to the fact that they state they "know of no evidence" to support the statement of the committee's investigators that slum clearance has been ignored.

This is their saving clause and is typical of the deceitful half-truths and innuendo with which this agency has confronted our committee.

The Administrator of FPHA fails to elaborate and explain that of the eliminations he mentions—none of which, incidentally, have ever been inspected by his agency—only a small percentage have been accomplished on a slum site. He fails to point out that approximately 65,000 of these alleged eliminations have been accomplished by adding up houses

demolished in the community or improved by adding facilities not previously available.

In other words, these eliminations would have occurred in the natural course of events and were not influenced, encouraged, or dictated by the terms of the United States Housing Act. These facilities were personally inspected by the committee's investigative staff. A motion picture was made of representative ones proving conclusively that the eliminations were made in five residential communities, were isolated units, and do not constitute a slum in the usual definition of the word. For the edification of the Administrator, I would like to quote Webster's definition of slum, and I suggest the FPHA make the same required reading: "A thickly populated street or alley marked by squalor or wretched living conditions."

I suggest to the Administrator that he ask the owners of properties brought up to standard if they feel the above definition describes their homes. I warrant they would be righteously indignant if they knew that their names and addresses appeared in the files of the FPHA as examples of slums that had been cleared by low-rent subsidized housing.

FPHA goes on to attempt to explain their accounting deficiencies, and I refer to the following excerpt from page 6838 of the RECORD of June 11 for an example of the double talk that attempts to justify the most deplorable accounting presently in Government:

Inquiry: Some FPHA records were in such an "atrocious condition" that a reputable accounting firm declined to audit them.

Comment: On April 30, 1947, the Comptroller General submitted to the Congress a report of a survey of the accounting system of the Federal Public Housing Authority. This survey was made by Price, Waterhouse & Co., a New York firm of independent public accountants, who made the study under the direction of the Corporation Audits Division of the General Accounting Office.

The report of Price, Waterhouse & Co. said: "Our review of the bookkeeping records and financial reports of FPHA has disclosed serious deficiencies in the accounting procedures and in the performance of the bookkeeping work and a resultant lack of accounting control over the assets, liabilities, income, and expenses of the various programs."

The survey was made in the summer of 1946 and was concerned with the accounts for the years ended June 30, 1945, and June 30, 1946. Examination of these accounts necessarily directed major consideration to records and conditions of accounts as they existed in the years before 1946.

FPHA has been fully aware of these shortcomings and has instituted corrective action on its own initiative. Reports of its own Audits Division have pointed out deficiencies and remedial action was begun more than a year before the survey made by Price, Waterhouse.

There were two major reasons for the weaknesses reported in the survey:

1. When FPHA was created in 1942, several types of programs previously administered by other Government agencies were transferred to it. The varied records of these programs had to be brought together and integrated into one accounting system. This huge task is still being carried on.

2. In the period covered by the survey, FPHA used an accounting system suitable for activities carried on with appropriated funds but not suited to the commercial type of operations FPHA was assigned in its war housing programs.

The difficulties presented by this situation were reported by Price, Waterhouse as follows: "Accounts and records for the fiscal year 1945 and prior years were maintained under regulations promulgated by the Comptroller General a number of years ago. * * * This procedure provides for appropriation and fund accounting. * * * However, in the form prescribed, the procedure is not well suited to commercial operations such as those conducted by FPHA, nor does it lend itself to the preparation of statements showing financial position and the results of such operations."

The fact that FPHA had recognized the existence of deficiencies and had taken steps to correct them as early as 1945 is attested by the Price, Waterhouse report:

"The present management [of the Authority] recognized that the accounts and procedures in use in 1945 were inadequate and, at the beginning of the fiscal year 1946 (i. e., July 1, 1945), adopted a revised accounting manual and revised procedures intended to provide both for appropriation accounting as prescribed by the Comptroller General and for financial accounting in the ordinary commercial sense."

Price, Waterhouse stated the opinion that these revised procedures should enable the agency to reconstruct its accounts for the fiscal year 1946 to the extent necessary to prepare an adjusted financial statement suitable for examination. The accountants suggested, however, that this would take time and effort disproportionate to the probable benefits, a view shared by the General Accounting Office.

The deficiencies noted in the report do not involve loose handling of cash or disbursements. This fact is clearly stated by Mr. T. Coleman Andrews, director of the GAO Audits Division, in his letter of April 30, 1947, transmitting the Price, Waterhouse report to the Comptroller General. He wrote:

"The foregoing statement [of deficiencies] is not intended as an implication that there has been laxity in the handling of cash receipts and disbursements. A system of internal control of these is and has been in existence, which should minimize any irregularities in connection with the handling of cash items. The deficiency noted is one of inadequacy of general accounting policies and poor bookkeeping."

Although the substance of the report is concerned with accounts of 1945 and earlier years, Mr. Andrews made this comment concerning the present accounting work of the FPHA:

"The preliminary work now being carried on by this [GAO's Corporation Audits] Division has demonstrated that considerable progress has been made in clearing up old errors and discrepancies and that the recording of current transactions is being carried on in an intelligent, reasonably accurate, and satisfactory manner."

The Administrator likewise comments that the number of ineligible tenants has been greatly reduced and requires every local authority to remove 5 percent of its ineligible tenants each month. He fails to explain that this policy has only recently been developed and as a direct result of the inquiry directed by this committee. He further fails to explain that the ineligibles are being reduced by the simple expedient of raising income limits both for occupancy and continued occupancy to cover present earnings of tenants. The hearings before the subcommittee for Government corporations detail many families earning enough to pay economic rents which would permit them to live in privately owned housing. As an example of the paternalism of the agency, consider that average earnings of tenants in the Public Law 412 program is $2,129. Remember this is an average and is supposed to constitute the lowest income earners in America.

Concerning the success or failure of the veterans' housing program, I suggest the veteran be the judge of this and I speak as one of them who has lost faith in this agency of Government. Consider further that this agency had the effrontery to deny preference to the veteran in the sale of war housing necessitating action by Congress to place this important function in the hands of an agency which properly appreciates the debt we owe to the veteran.

Let me say at this point that there is some indication that the personnel of the Federal Public Housing Authority, either directly or indirectly, has precipitated the mass of protests which the members have been receiving. There is a striking similarity in the telegrams and letters that have been received, and this along with reports which have come to my attention leads me to believe that we may be confronted with a situation which is as disgraceful as the campaign recently conducted by certain of the employees of the Bureau of Customs. If my information proves to be accurate, I intend to do everything in my power to have persons violating the law, which prohibits using public funds to influence the course of legislation, properly dealt with by taking up the matter with the Department of Justice.

Low-rent housing provides dwelling space for persons in low-income categories on the basis of what such persons can afford to pay as rental, and not on the basis of the total cost of providing such space. Under this system, persons of limited income are provided with housing of a better type than they otherwise could obtain. Low-rent housing projects under the jurisdiction of the Federal Public Housing Authority may be divided, for purposes of this discussion, into two categories. The first is those housing projects which are owned by the Federal Government or its agencies. The second category embodies housing projects owned by public agencies other than those of the Federal Government. In both of these types of housing, the Federal Government makes a contribution toward providing dwelling accommodations for persons of low income. In the case of federally owned projects, the cost of erecting the buildings was met by Federal funds. Such funds are not required to be repaid and therefore no annual contribution is necessary to make up operating deficits which would otherwise be occasioned by charging low rentals to tenants. This type of housing however, is subsidized by the Federal Government just as much as though annual financial grants were provided.

In the act of September 1, 1937, which created the United States Housing Authority, it is provided that property owned by the Authority is to be exempt from all taxes; Federal, State, municipal, or otherwise. However, payments in lieu of taxes with respect to property owned by the Authority are authorized by the United States Housing Act, Public Law

412, Seventy-fifth Congress, up to the amount of taxes that would be paid to the State or its political subdivisions upon such property, if it were not exempt from taxation. Obviously, in making its recommendations to the House, the Committee on Appropriations did not raise objections to the payment of sums in lieu of taxes in instances where such payments are authorized by law.

Property owned by public agencies other than those of the Federal Government may be taxed by municipalities or States according to their legislative decision. The so-called locally owned low-rent housing projects fall into this latter category. These housing projects are constructed and operated by local authorities under the supervision of the Federal Public Housing Authority, and the finances are provided either by the sale of bonds which are fully guaranteed as to both principal and interest by the Federal Government or which are purchased and held by the Federal Government. In order that the tenants might occupy such housing, even though they are unable to pay the amount necessary to pay off the bonded indebtedness and provide funds for operating these projects, the Federal Government makes annual contributions in an amount equal to the difference between the operating expenses, including amortization of capital investment and operating income, plus contributions made by local authorities. Obviously an increase in operating expenses necessitates an increase in the Federal contributions. No question was raised as to the legal right of States or their political subdivisions to impose taxes upon locally owned low-rent housing projects. However, the committee was, and is, concerned with insuring that Federal funds, in the form of contributions to maintain the low-rent character of locally owned housing projects, is used only in accordance with the intent of the Congress as expressed in legislation.

The FPHA made an administrative determination without legislative authorization that locally owned low-rent housing projects could make voluntary payments in lieu of taxes in addition to the contractual amount and that such could be charged in computing the Federal subsidy. In some instances the original contracts between the Federal Public Housing Authority and the respective local projects permitted payments to be made in lieu of taxes. The committee, in effect, recommended that these original contracts should govern in determining whether payments in lieu of taxes might properly be considered in computing the subsidy in fiscal 1948.

Thus, the action of the House merely means that subsidy funds may not be used to make payments in lieu of taxes in excess of a contractual agreement unless earnings were available.

Low-rent housing was originally provided for by Congress as a local benefit, and in consideration of such housing the community was to waive taxes as their fair share in the venture. The committee has not asked that the original intent of the Housing Act be adhered to. It merely recommended the prohibition of voluntary contributions above this amount only where the Federal subsidy is involved. Contributions up to full taxes may still be paid if earnings are available. Nothing could be more reasonable at this time.

It is unfortunate that the budgets and revenues of municipalities have become adjusted in recent years to receiving such payments in lieu of taxes. As pointed out, these payments are not authorized by law, and in advising local housing projects that they are legal, the officials of the FPHA have taken the law unto themselves. These Federal officials must now answer for their own actions, and I suggest that municipal officials whose budgets are affected turn their complaints against the proper parties rather than against their elected congressional representatives.

I desire also to comment upon another aspect of low-rent housing which was affected by the Government corporations appropriations bill. Locally owned housing projects now hold reserves, principally in the form of Government bonds, aggregating approximately $40,000,000. Officials of the FPHA cry crocodile tears that these reserves are necessary in part to insure the favorable marketability of the bonds which were sold to provide the capital funds for low-rent housing projects. These bonds are fully guaranteed by the United States both as to principal and interest. I am not aware that the credit of the United States requires additional bolstering at this time, although I can well understand that it might if persons such as officials of the Federal Public Housing Authority continue to manage the affairs of this Government.

Part of these impounded reserves are also for alleged vacancy losses. This is farfetched indeed if the poor and underprivileged are always with us, and regrettable as it surely is, I am afraid they are with us.

Working capital reserves and other reserves are provided beyond justification or need.

The lack of necessity for all these reserves is amply demonstrated by the astounding fact that they are substantially invested in Government bonds on which the United States taxpayer pays interest. Thus we are faced with the ridiculous situation of paying subsidies to local groups, who, not needing the funds, invest them in United States bonds. We thus pay them interest while at the same time they themselves owe the Government substantial funds.

Owing to the large amount of reserves held, which amount is beyond all reasonable proportion to the purpose of maintaining the low-rent character of local projects, and in view of the other factors set out here, the committee determined that the budget estimate of $7,200,000 for subsidy payments should be reduced to $2,200,000. This amount is adequate to cover contributions to local projects under the provisions of the United States Housing Act in view of the large reserves now on hand.

I would like to emphasize that the committee's investigation and report does not indict all local housing groups. As a matter of fact, many splendid examples of good public housing were found, and it is our belief that the spirit of the United States Housing Act would be more properly and efficiently carried out if the yoke of the Federal Public Housing Authority were removed from their necks.

I believe that public housing is a local problem and does not need the supervision of a swollen Federal bureaucracy that is driving the taxpayer closer and closer to bankruptcy.

It is the belief of the committee that the Federal Public Housing Authority has exceeded its authority and needs to clean up its own operation. We feel the committee's action was necessary to correct certain practices not authorized by law. I am sure if the FPHA will clean its house, and stay within the law, the committee will deal fairly with the agency and carry out the commitments of the Federal Government to the local housing authorities provided the local housing authorities carry out the terms of their contracts within the law.

Mr. HARNESS of Indiana. Mr. Chairman will the gentleman yield?

Mr. JENSEN. I yield.

Mr. HARNESS of Indiana. Does this propaganda which is going out emanate from Government agencies or Government employees?

Mr. JENSEN. It has all the earmarks of emanating from affected Government agencies.

Mr. HARNESS of Indiana. I suggest to the gentleman, if he can submit any proof, I shall be glad to receive it and turn it over to my committee which is now investigating propaganda and publicity by Government agencies.

Mr. JENSEN. I thank the gentleman from Indiana. I am quite sure the gentleman's committee will have a job to do in respect to this matter at an early date.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HAYS. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Alabama [Mr. RAINS].

The Clerk read as follows:

Amendment offered by Mr. HAYS to the amendment offered by Mr. RAINS: In line 5, after the words "war housing", strike out the remainder and insert "situated within the approximate vicinity of any permanent Army or Navy Establishment and which requests were on file May 15, 1947."

Mr. HAYS. Mr. Chairman, I would have to join the chairman of our committee in opposition to the amendment offered by my good friend the gentleman from Alabama [Mr. RAINS], because I feel that we should not provide this sweeping exemption for even such worthy agencies of Government as the Army and Navy. I feel that it just could not be justified. But there are some situations that deserve attention and I should hope that my amendment might even meet the situation the gentleman from Alabama has in mind, and I trust that the chairman of the committee, the gentleman from Michigan, will agree to my amendment.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. RAINS. The gentleman from Arkansas is very persuasive. I rather think his amendment makes mine better

and I gladly accept it. I hope the chairman of the committee will accept it also.

Mr. HAYS. I thank the gentleman. I believe it is clear why there is resistance to the amendment of the gentleman from Alabama in the form in which he submitted it. In that form all the Army or Navy would have to do would be to say in effect "We desire this property over here." It might be any number of miles from the military establishment. We are gaining some experience in the handling of surplus property. I had occasion recently to look into the disposition of 40,000 acres of land under the Surplus Property Act, land classified as agricultural.

I fear that in certain instances there has not been a rigid interpretation of the purpose of Congress in handling transfer of this property to Government agencies. We ought to profit by this experience and because of the results of the inquiry I made in connection with surplus real estate I have this conviction about the loose handling of housing property. So, if the gentleman from Michigan would care to comment on the amendment I have offered as an improvement in the Rains amendment and would express his feeling, I would appreciate it. I hope he will offer no objection to it in order to meet some specific situations where applications were filed for land that is adjacent to these military establishments.

Mr. WOLCOTT. I may say that I am afraid of the situation for the reason that the War and Navy Departments have had 2 years in which to acquire these properties. They have had a top priority. They have been right here dealing daily with the administrators of this program. They surely have known long before this whether the housing projects in the vicinity of camps and bases were to be needed by the War Department and Navy Department as a part of their installation. Why have they not asked for this before? They did not appear before our committee, they did not ask to come before our committee. The first I heard about this was when we were about to bring this up on the floor. Then the War Department and Navy Department seemed to get hysterical about the fact that we were disposing of properties they might want. Frankly, it is not altogether, in my opinion, a question of their falling asleep on the projects, because the FPHA had an obligation to go out and sell these properties and on ever one of these properties some one has come to the FPHA and asked about them. So there has been a little negotiation. If the FPHA had disposed of these properties previous to this time, if they had not been inclined to hold them for transfer to purposes that are not within the purview of this act, then the War Department and the Navy Department would have no rights whatsoever, no priorities and no opportunity to buy these properties. Now, all of a sudden they become very much interested in them. I think that the amendment the gentleman has offered, which restricts them to properties within the proximity of a camp and where application is made before a certain date, helps the situation, but I am not sure it would cure all the ills, because these properties might be transferred to the War or Navy Departments, then transferred to somebody else for the very purpose of getting out from under the jurisdiction of this act.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. RAINS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Alabama.

Mr. RAINS. I want to call the gentleman's attention to the statement that the Army and Navy Departments have been waiting around during 2 years and they have had that time in which to get this very much needed war housing. That is a bit in error, according to the letter I read from the Secretary of War a moment ago. They already have tentative requests in for 24 establishments and this bill will cut them off from those requests which were made prior to the time of any work being done on this particular legislation. Further, I should like to make clear to the gentleman from Arkansas another fact. I presume he favors this amendment which I understand was offered as an amendment to the amendment provided it is limited to war housing in the immediate proximity of permanent War and Navy Establishments.

Mr. HAYS. That is the language of the amendment I have offered in an effort to meet some specific situations, yet not open the door to the wholesale transfer of property.

Mr. RAINS. I share the gentleman's opinion, and I think that is a very good safeguard.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Georgia.

Mr. PACE. Does not the gentleman think that the language in the amendment which provides that this applies only to applications which were pending before this bill was introduced would prevent the possible evasions mentioned by the chairman, particularly in view of the fact that it applies only to applications made by the Army and the Navy for immediately adjacent housing accommodations, and that approval was simply delayed because of some technical reason?

Mr. HAYS. I yield to the gentleman from Michigan to answer.

Mr. PACE. Under the amendment offered by the gentleman, this would apply only to those applications which were pending before the bill was introduced, and whose approval was delayed by reason of technical requirements of an investigation to be conducted before they were approved.

Mr. WOLCOTT. We have the list of the projects that the Army and the Navy have asked for as of April 15, 1947. That has been furnished to us by the Federal Public Housing Administration. I wish the gentleman would look it over and see if the date could not be changed until April 15 to meet his situation, and if we can change the date to April 15, then, by reference to the report, anyone could determine that we intend to restrict the program to these particular projects and that would take a little curse off of it, if I may put it that way.

Mr. HAYS. I appreciate the point made by the chairman. I realize that it is never satisfactory to attempt to work out on the floor a difficult local situation. We have had two things in mind here. One was to avoid the mistake of a wholesale loss of property, where it was not needed, and then to meet specific situations properly, so if the gentleman from Michigan would agree to the April 15 date, I ask unanimous consent that my amendment be modified to read April 15 instead of May 15. I do not want to embarrass the chairman of the committee, but I am doing this in an effort to meet what I regard is a valid objection to the Rains amendment.

Mr. WOLCOTT. Mr. Chairman, if the gentleman will yield, if that amendment is offered, and if the modification is accepted, then it is understood that the projects which come within the purview of this amendment appear on page 13 of the hearings of the War Housing Disposal Act of 1947 of the House Committee on Banking and Currency.

Mr. HAYS. And I trust the Committee then will support us in this amendment because, as the gentleman from Michigan has pointed out, we can make this limitation very specific, and I am grateful to him for getting that into the RECORD so that it will be understood just what we are trying to do in this connection. I appreciate the hearing this Committee has given us.

Mr. Chairman, I ask unanimous consent that my amendment be regarded as modified by the change in date to April 15 rather than May 15.

Mr. RAINS. Mr. Chairman, if the gentleman will yield, I wonder if this is only the Army list. Does that include the Navy Establishment as well?

Mr. WOLCOTT. Yes. There are 24 Army projects and 5 Navy projects. They are found on page 13 of the hearings.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The Clerk will report the modified amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS to the Rains amendment: Amend the Rains amendment by striking out in line 5 after the words "war housing" the remainder and insert "situated within the proximate vicinity of any permanent Army or Navy establishment and which requests were on file April 15, 1947."

Mr. WOLCOTT. Mr. Chairman, on my own responsibility I am constrained to accept the amendment with the very definite understanding that it means that, if the amendment is adopted, the program of transfer to the Army and the Navy shall be for no other projects than those contained on page 13 of the hear-

ings of the House Committee on Banking and Currency on this act, and that it is not intended to include the transfer to the War Department or the Navy Department of any projects which are not included in that list. With that very definite understanding, for myself, I shall support the amendment.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from North Carolina.

Mr. FOLGER. May I say to my chairman that under those conditions as the gentleman outlines them, with that definiteness affixed to it, I am willing to go along, but otherwise I am not.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Arkansas.

Mr. HAYS. That certainly is my understanding. I am glad to have that in the record in that specific form.

Mr. ROGERS of Florida. Mr. Chairman, I have an amendment prior to this.

The CHAIRMAN. Is it an amendment to section 4 or any portion thereof?

Mr. ROGERS of Florida. Yes. It is on page 4.

The CHAIRMAN. The Clerk will report the amendment.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Is the parliamentary situation such that we will dispose of the Rains amendment before we consider another amendment?

The CHAIRMAN. If the Rains amendment were adopted, it would preclude the offering by the gentleman from Florida of his amendment to section 4.

Mr. HAYS. Mr. Chairman, I ask unanimous consent that the Rains amendment be passed on first and that the gentleman from Florida [Mr. ROGERS] be permitted to offer his amendment just as soon as we have disposed of the pending amendment. I think that will be in the interest of clarification.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. HAYS] to the amendment offered by the gentleman from Alabama [Mr. RAINS].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Florida [Mr. ROGERS].

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: Page 4, line 10, after the period insert the following sentence: "For purposes of this subsection terminal leave bonds (at face value plus interest at the time of sale) may be transferred to, and accepted by, the Administrator in lieu of cash, but shall be held by the Administrator until said bonds are payable as may be provided by law."

Mr. WOLCOTT. Mr. Chairman, I make the point of order against the amendment that it is not germane, that it operates in effect as an amendment to the Terminal Leave Pay Act, which is not within the subject matter of the bill under discussion.

The CHAIRMAN. Does the gentleman from Florida desire to be heard on the point of order?

Mr. ROGERS of Florida. I do, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. ROGERS of Florida. Mr. Chairman, this bill sets out how these housing units shall be sold. It provides that they shall be sold for cash as expeditiously as possible and not later than December 31, 1948.

SEC. 4. (a) All war housing (except mortgages, liens, or other interests as security) transferred to the Administrator by section 3 shall, subject to the provisions of this act, be sold for cash as expeditiously as possible and not later than December 31, 1948. Wherever practicable each dwelling in a war housing project shall be offered for sale separately from other dwellings in such project. Any mortgage, lien, or other interest as security transferred to the Administrator by section 3 or acquired by him under this act pursuant to a contract entered into prior to February 26, 1947, may, subject to the provisions of this section, be sold for cash.

I provide in compliance with this particular section that a veteran who is in possession of the house and who has a priority under this bill may, in order to stay there and prevent being denied the right to purchase that house, if he has no money and has a bond plus a little money, to deposit this bond with the Administrator. The Administrator holds that bond until the law is passed providing that we shall cash them, whether it be 4 years, or if we pass a law which I think we are going to pass, and I do not think there is any question but what this Congress is going to pass a law making these bonds redeemable in cash or making them negotiable. Now, that is an absolute fact, and if that be so, then they can use these bonds as a part payment in cash. That is all I want to do.

Some of them may say, Mr. Chairman, "Well, we are going to pass an act." Suppose we do not pass that act? Here is a man in possession of the house who has a preference under the bill, and if he has no money, what can he do? It is, "Get out of here, Mr. Veteran, get out, and get out now." But he should be able to say, "I have a bond of the Government. The Government owes me $700, or the Government owes me $500." But, then, they will say, "That does not make any difference, and you have no right in this house; get out."

Mr. Chairman, I think this amendment is relevant; I think it is germane and pertinent to the provisions of this bill.

Mr. HALLECK. Mr. Chairman, I make the point of order that the gentleman from Florida is not addressing himself to the point of order, but is rather discussing the merits of the amendment.

The CHAIRMAN. The gentleman from Florida will speak to the point of order.

Mr. ROGERS of Florida. Mr. Chairman, I do not think there is any question that this certainly deals with how these houses may be purchased. This provides that it may be applied to a cash payment. The bill says cash. I provide by this amendment that for the purposes of this section the cash payment may be reduced by the value of the bond. That is all. To my mind, Mr. Chairman, it is germane.

Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. MCCORMACK], if he desires to speak on the point of order.

Mr. McCORMACK. Mr. Chairman, this bill relates to the sale of certain war housing. Certainly, it seems to me in connection with the sale of war housing that Congress can determine the method of payment, whether it is cash or on term payments. And if that is so, the Congress can determine that terminal-leave bonds outstanding, and I am now talking on the point of order and not on the merits of the question, may be used in connection with the sale of war housing. It certainly seems to me if the Congress in its wisdom in connection with the sale of surplus war housing tries to permit the use of these terminal-leave bonds in payment in whole or in part, it is certainly germane to this bill, the basic premise of which is the sale of certain war housing, and this is an incidental part thereof.

The CHAIRMAN. Does the gentleman from Michigan [Mr. WOLCOTT] desire to be heard on the point of order?

Mr. WOLCOTT. I do, Mr. Chairman. I would like to be heard for this reason. Under the terminal-leave-payment bill, there is an express provision that the bonds are nonnegotiable and that the bonds are nontransferable. In order to provide that they be used as down payment or for any other purpose in connection with these projects, they must be negotiated; they must be transferred. For that reason, we amend a basic provision of the law which is not within the purview of the bill presently under consideration.

The CHAIRMAN (Mr. SCHWABE of Oklahoma). The Chair is ready to rule. The Chair holds the point of order is well taken, for the reason that the Terminal Leave Pay Act provided that the bonds were nonnegotiable for a definite period of time—5 years. That is not within the purview of the bill under consideration, this being a bill which does not seek to amend or change the provision of the Terminal Leave Pay Act, but merely for the disposal of surplus housing.

The Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

WAR HOUSING MORTGAGE INSURANCE

SEC. 5. Title VI of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following:

"SEC. 609. (a) The Administrator is authorized, upon application by the mortgagee, to insure under section 603 or 608 of this title any mortgage executed in connection with the sale by the Federal Works Administrator of any housing (including property determined by the Federal Works Administrator to be essential to the use of such housing) transferred to the Federal Works

Administrator by the War Housing Disposal Act of 1947 without regard to—

"(1) any limit as to the time when any mortgage may be insured under this title;

"(2) any limit as to the aggregate amount of principal obligations of all mortgages insured under this title, but the aggregate amount of principal obligations of all mortgages insured pursuant to this section shall not exceed $750,000,000;

"(3) any requirement that the obligation be approved for mortgage insurance prior to the beginning of construction or that the construction be new construction;

if such mortgage is otherwise eligible for insurance under such section and is eligible for insurance under subsection (b) of this section.

"(b) To be eligible for insurance pursuant to this section a mortgage shall—

"(1) have a maturity satisfactory to the Administrator but not to exceed 25 years from the date of the insurance of the mortgage.

"(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Administrator shall approve) in an amount not to exceed 90 percent of the reasonable value of the mortgaged property as determined by appraisal made by an appraiser or appraisers designated by the Administrator."

PREFERENCES

SEC. 6. (a) Preference in the purchase of any dwelling designed for occupancy by less than five families shall be granted to veterans and their families and to occupants over other prospective purchasers of such dwelling in the following order:

(1) A veteran and his family who occupy a dwelling unit in the dwelling to be sold.

(2) A veteran and his family who do not occupy a dwelling unit in the dwelling to be sold but who intend to occupy a dwelling unit in the dwelling to be purchased; but if the dwelling is designed for occupancy by two, three, or four families, equal preference shall be granted to a private corporation, association, or cooperative society which is the legal agent of veterans and their families who intend to occupy the dwelling purchased by such corporation, association, or society.

(3) A nonveteran who occupies a dwelling unit in the dwelling to be sold.

(b) In the case of any war-housing project where it is not practicable to offer each dwelling for sale separately from other dwellings in the project and in the case of any dwelling designed for occupancy by more than four families, preference in the purchase thereof shall be granted to any private corporation, association, or cooperative society which is the legal agent of veterans who intend to occupy the war housing purchased by such corporation, association, or society.

(c) The Administrator shall give such notice in such manner as he deems reasonable to enable prospective purchasers who have a preference under this section in the purchase of war housing to exercise such preference. Any prospective purchaser having a preference under subsection (a) in the purchase of any dwelling may apply for the purchase of such dwelling (1) if the preference is under paragraph (1), within 30 days after the date of the notice of the offer for sale, (2) if the preference is under paragraph (2), within 60 days after the date of the notice of the offer for sale, and (3) if the preference is under paragraph (3), within 90 days after the date of the notice of the offer for sale. Any corporation, association, or society having a preference under subsection (b) in the purchase of any war housing may apply for the purchase of such housing within 180 days after the date of the notice of the offer for sale.

SALES WITHOUT PREFERENCE

SEC. 7. If any dwelling or war-housing project is not sold to a purchaser who is granted a preference under section 6 and who applied within the time prescribed in subsection (c) of such section, such dwelling or war-housing project shall be sold as provided in this act without regard to any preferences granted under section 6 and without regard to any restrictions contained in any other law as to whom war housing may be sold.

TITLE OF PURCHASER

SEC. 8. A deed or other instrument executed by or on behalf of the Administrator purporting to transfer title or any other interest in property under this act shall be conclusive evidence of compliance with the provisions of this act insofar as title or other interest of any bona fide purchasers for value is concerned.

VALIDITY OF CONTRACTS

SEC. 9. Nothing in this act shall be deemed to impair or modify any contract entered into prior to February 26, 1947, for the sale of property, or any term or provision of any such contract, without the consent of the purchaser or his assignee, if the contract or the term or provision thereof is otherwise valid.

DISPOSITION OF PROCEEDS

SEC. 10. Moneys derived by the Administrator from the disposition of war housing under this act shall be covered into the Treasury as miscellaneous receipts.

Mr. WOLCOTT (interrupting the reading). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and the bill be considered as read for the purpose of offering amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BUCHANAN. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN: On page 7, in line 13, after the word "granted", insert the word "first", and in line 16 strike out the period and insert a comma and the following: "and second to any city, village, town, county or other political subdivision, or public agency or corporation (including a housing authority), in whose area of jurisdiction or operation any such dwelling is located."

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. WOLCOTT. With the understanding that this provision for authority to purchase by a municipality succeeds the priorities set up for purchase by veterans and others in the language stating it, I see no reason why the gentleman's amendment should not be accepted.

Mr. BUCHANAN. Mr. Chairman, the purpose of this amendment is to give the cities and towns in which permanent war housing projects are located an opportunity to purchase this housing ahead of speculators.

In offering this amendment I do so with full knowledge that this bill is unworkable, unsound, and should be rejected by the House. However, this amendment is an effort to make a bad bill a little less bad and to give cities some protection against a wholesale movement of this housing into the hands of speculators.

The majority report of the Banking and Currency Committee on this bill assumes that the great part of this permanent war housing is suitable for sale to individual veterans for their personal occupancy. This assumption is contrary to fact. Aside from the so-called demountable houses, the great bulk of the permanent Lanham Act housing is in multifamily projects. I am advised that out of the 540 projects affected by this bill, more than 300 are of a type which cannot feasibly be subdivided into individual units for sale to individual veterans.

It is precisely these projects which the speculators have an eye on. And it is precisely these projects which the speculators will get under the provisions of this bill.

The House should realize that the cities and towns in which these projects are located have a big stake and a vital concern in the future of this housing. The House should give careful consideration to the local interest in this housing and not ignore and override this local interest by passing hasty, ill-conceived, and irresponsible legislation.

Practically every city in the country has a serious housing shortage today. That alone gives every city where a Lanham Act project is located an immediate interest in how these projects are disposed of. But these cities also have a long-term interest in this housing. In many of them, these projects represent a substantial percentage of their total supply of rental housing. They want to see these projects disposed of in a manner that will serve the long-term housing needs of the community, that will tie in with the long-term growth and development of the community, and that will protect property values.

Above all, they do not want to see these properties dumped into the hands of speculators who will milk them as long as the housing shortage makes milking profitable and then let them deteriorate into slums. And that is precisely what is threatened by this bill in its present form.

The Lanham Act recognized the local interest in this housing. It specifically required that local officials be consulted in the development of this housing in order to conform it to local planning and tradition to the greatest extent practicable under wartime conditions. In the same manner, local governments have been consulted in the plans for disposition of these projects. Local disposition committees, appointed by the mayors or other heads of the local governments concerned, have worked closely with officials of the National Housing Agency and the Federal Public Housing Authority in developing local disposition plans. These local consultations have already been completed in the case of more than 300 permanent Lanham Act projects.

This entire framework of local consultation would be wiped out by this bill. This bill does not say a word about local consultation. It does not contain a whisper as to giving any attention or consideration to local recommendations on

disposition. It pulls away the responsibility for disposition from the agency which has been dealing with the local governments involved for more than 5 years and gives that responsibility to the Federal Works Administrator who necessarily has had no part in or knowledge of these local consultations. It simply orders him to sell these projects for cash and to sell all of them by December 31, 1948.

More than that, this bill does not even specificaly recognize the right of local governments to buy these projects, in cases where they want to and are able to. Local governments would simply be lumped in with speculators and any other buyers where buyers in the preferred classifications did not appear. This is entirely contrary to the policy established by the Congress for all other surplus property disposal. In fact, in all other cases of surplus property, the Congress has uniformly given State and local governments a preference second only to the preference accorded to Federal agencies.

This amendment will not correct all the weaknesses I have outlined. No single amendment could possibly correct all the weaknesses and inconsistencies in this bill. But the amendment would at least give local governments and other local public bodies the clear-cut right to come in and bid for these projects at their appraised price and ahead of speculators.

This amendment would not interfere with veterans' preference in the disposal of this housing. The bill as reported gives preference for the purchase of projects not suitable for subdivision into individual properties to "any private corporation, association, or cooperative society which is the legal agent of veterans who intend to occupy the war housing purchased by such corporation, association or society." This language is ambiguous. I doubt that many, if any, bona fide veterans' groups could qualify for purchase of these large projects under this provision. I also fear that this provision is open to abuse by dummy corporations and other fronts for speculators.

Nevertheless, this amendment would not disturb the preference to such corporations and associations. But it would give the second preference under this provision to local governments and other local public agencies to purchase projects located within their area of jurisdiction.

This is the least which the Congress should do to protect the interest of local communities in these housing projects. It would not eliminate the many unsound provisions which appear throughout this bill. It would not even preserve the right which local governments now have under the Lanham Act to come in and request the Congress to convey specific projects to them for use as low-rent housing where such use is desired by the community.

But it would at least give those local governments which are in a position to purchase these projects the right to do so and the opportunity to protect themselves and the future of their community against the consequences of exploitation of these projects by real-estate speculators.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania [Mr. BUCHANAN].

The amendment was agreed to.

Mr. BYRNES of Wisconsin. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. BYRNES of Wisconsin: On page 9, line 7, strike out the period and add a semicolon and insert "or (2) to prohibit the Administrator from completing under the provisions of the Lanham War Housing Act the sale of a war-housing project or portion thereof, upon terms other than cash to a mutual ownership or cooperative organization that has heretofore instituted negotiations with the Government toward the purchase of such housing for occupancy by members."

Mr. BYRNES of Wisconsin. Mr. Chairman, the purpose of this amendment is to correct a situation which I outlined when this bill was last under consideration. Under the provisions of this bill, the present occupants of a housing development who have banded together in order to purchase those homes will have to terminate those negotiations. I outlined at that time the situation which exists in the city of Manitowoc, in my district. In this case the layout of the housing project offered by the Government would not comply with the city zoning regulations. Any purchaser, therefore, would have to purchase all of the units and then improve them, put in new sewers, new kinds of foundations, and make various other repairs in order to comply with municipal regulations.

These people who presently occupy the homes, loyal war workers working in the shipyards at Manitowoc, inquired over a year ago as to what could be done whereby they could purchase these homes individually. The only solution that could be found was for them to band together and form a mutual ownership corporation which would buy the unit as a whole, make the necessary adjustments, and then sell to the individual under the arrangement which is provided for in the agreement under those circumstances. These people did join together. They hired counsel. They went to a great deal of work all under representations made to them by the Government. Now we come along with this legislation after over a year's work and the expenditure of funds and are going to say to these people: "That is all out of the window now, boys. We are sorry, but we have changed our minds and, in spite of all the work you have done, you can forget about it."

To me that is not equitable and the only thing this amendment does is to provide that, where there is a bona fide organization that has been formed and has already entered into negotiations with the Government for the purchase of such property, that organization shall be allowed to continue its negotiations. This does not necessarily mean that the Government has to sell to them if they do not meet conditions which presently exist. To put it quite frankly, the Government has been as much responsible as anybody for the fact that this negotiation has not been concluded, because appraisals have not been made. When the committee advised the administration to cease in February, negotiations did not go through, they did not appraise the property; and that is just the point at which they are. All that is left is agreement on the sales price. It is a matter of time.

You may say they have had plenty of time, but they have not because the have had the legal technicality of complying with city zoning regulations, of getting a city ordinance passed in order to permit the purchase of this property, and the putting it in proper condition for use as peacetime housing. The city allowed the Federal Government to construct this project simply because there was an emergency, but looking to the future the city does not want this now turned into a slum district and they are insisting that their regulations be complied with. The units cannot be sold to an individual under those circumstances. It has to be through some organization which will buy the real estate, make these improvements, then resell it. You all know what that means. In that event it simply means that instead of the present tenants getting it under the arrangements that have been worked out, they will not. I might say also that under the arrangements worked out with this ownership organization it is provided that veterans have priority with the present occupants; so it is not going to deny housing units to any veteran.

I trust the committee will see fit to agree to this amendment and permit the continuation of the negotiations which have already been started.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if the amendment offered by the gentleman from Wisconsin is adopted it would defeat the very purpose of this bill, which is to make these units available to as many veterans as possible. I do not know, but I could conjecture that there is not one of these units upon which there has been no negotiation whatsoever. I would assume that in the files of the Federal Public Housing Authority there is correspondence which might be considered the initiation of negotiations on all of these projects which we seek to dispose of under the terms of this provision. I may say in respect to the project which the gentleman has in mind that there are 94 single units which 94 veterans might purchase under very high priorities. There are 306 semidetached units which likewise 306 veterans can purchase, making a total of 400 units which can be made immediately available for purchase by veterans at very reasonable prices.

The danger of the gentleman's amendment is that if we delay the sale of these units because there have been some negotiations on them, then we would put these projects in a position where they could not be sold as individual units to individual veterans. We would have to sell the projects to whomever had been negotiating for the purchase of them. So it would destroy the very purpose

of the bill, therefore, I hope the gentleman's amendment will be defeated.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from North Carolina.

Mr. FOLGER. One of the great objectives sought in this bill is to make it possible for the veterans to obtain houses at reasonable prices?

Mr. WOLCOTT. That is right.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Utah.

Mr. GRANGER. As I understand it, the date used in this bill is February 26th, is that right?

Mr. WOLCOTT. Yes; that is the date on which we submitted to the Commissioner a resolution asking him not to dispose of any of these projects except in such a manner as to return cash to the Treasury from the proceeds of the sale. The program which FPHA was carrying on in some instances amortized the payments over 45 years with 5 percent down and 3½ percent interest. We did this so the Congress could formulate a program for the disposal of these projects without embarrassment to either the Administration or the purchasers. February 26 is the date on which we started to consider this program which resulted in the reporting of this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. BYRNES].

The amendment was rejected.

Mr. PHILLIPS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to put a statement in the RECORD so that it will appear during the discussion on this bill in the House. We have in the United States large groups of houses, particularly in the western agricultural regions. I know that applies to California and Texas; I am quite sure to Oregon and Washington, and possibly to Utah and some of the other States. Some of this housing has been built during the war years; and I am advised by a member of the committee handling the bill that it would be classified as temporary housing. On the other hand, much of this housing has been in existence, to my personal knowledge, for 12 years or more. It may have been added to during the war.

There is a bill pending before the Committee on Agriculture attempting to dispose of this in such a way that it will be preserved for agricultural labor rather than sold to some buyer for resale on the open market, as would otherwise be required. It has occurred to me this bill might be a vehicle for the disposition of that housing in such a way that it could be protected for agriculture and while I am offering no amendment today, I rise to put this in the RECORD so that our friends in the other body will not say, if it is brought up over there, that nothing was said about it in the House, and so my friends on this committee will, I hope, give it sympathetic consideration if the matter is brought up in that way.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BRYSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BRYSON: Page 9, insert after line 11 the following new section:

"SEC. 11. The term 'war housing' as defined in section 2 (3) of this Act shall not include any housing with respect to which the Federal Public Housing Authority received prior to June 9, 1947, a request that such housing be conveyed to any public or private agency organized for slum clearance or to provide subsidized housing for persons of low income. The Federal Public Housing Commissioner shall, as expeditiously as possible, report all such requests to the Congress. The housing so requested shall not, unless specifically authorized by Congress, be conveyed to any public or private agency organized for slum clearance or to provide subsidized housing for persons of low income."

Mr. WOLCOTT. Mr. Chairman, I reserve a point of order against the amendment.

Mr. BRYSON. Mr. Chairman, the amendment I propose would merely exclude from the provisions of this bill any housing now under the jurisdiction of the FPHA but which has already been requested by the local communities for low-rent use.

The projects thus effected are listed on page 82 of the report of the hearings on this bill.

These projects, which include 18,278 units, have been requested because the local communities in which they are situated are in great need of low-rent housing facilities.

The requests have been made in good faith under the provisions of the Lanham Act, but thus far the FPHA has not acted upon the requests. The law requires that all such requests be reported to the Congress for its approval. My amendment also requires that the FPHA report all these requests to the Congress as expeditiously as possible.

The need for low-rent housing facilities for families of low income is greater than ever before. Our working people cannot possibly finance the building of new homes at present inflated costs. They need adequate housing at rent they can afford to pay.

The bill, H. R. 3492, does lip service to veterans by giving them first preference in the purchase of these Government-built residences. However, it is reasonable to assume that very few veterans now occupying these units would be interested in purchasing them.

For instance, at Spartanburg, S. C., in my own district, the Camp Croft Courts, a 110-unit housing project built under the Lanham Act, is occupied by veterans exclusively. The city of Spartanburg last December filed a formal request with the FPHA for transfer of this project to low-rent use. According to information I have received from Spartanburg, none of the veterans now occupying these units desires to purchase the unit in which he is living. If the veterans do not wish to purchase these units, then why should the city of Spartanburg not take them over for low-rent use, since there is great need in that area for residences of that type at a rent rate the people can afford to pay? The same situation exists in the other communities where more than 70 applications already have been made for the transfer of these Lanham Act residences to low-rent use and for the purpose of slum clearance.

That was the original purpose of the Lanham Act, and these municipalities throughout the country have complied with the law in filing official requests for this property. I believe their requests should be honored.

If it is argued that these projects should not be used for the purpose of low rent and slum clearance at all, then I may point out that under the existing law the FPHA must submit the requests from the communities to the Congress before such transfers may be effected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. BRYSON].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SCHWABE of Oklahoma, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3492) to provide for the expeditious disposition of certain war housing, and for other purposes, pursuant to House Resolution 223, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CLASON asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. TALLE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in Committee this afternoon and include certain pertinent material.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD and include a statement by Attorney General Tom Clark made this morning before the Committee on Expenditures in the Executive Departments.

REREFERENCE OF THE BILL H. R. 2415

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from the fur-

ther consideration of the bill H. R. 2415 and that the bill be referred to the Committee on Ways and Means.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 50. An act for the relief of Joseph Ochrimowski;

S. 317. An act for the relief of Robert B. Jones;

S. 361. An act for the relief of Alva R. Moore;

S. 423. An act for the relief of John B. Barton;

S. 425. An act for the relief of Col. Frank R. Loyd;

S. 470. An act for the relief of John H. Gradwell;

S. 514. An act for the relief of the legal guardian of Sylvia De Cicco;

S. 561. An act for the relief of Robert C. Birkes;

S. 620. An act for the relief of Mrs. Ida Elma Franklin;

S. 824. An act for the relief of Marion O. Cassady; and

S. 882. An act for the relief of A. A. Pelletier and P. C. Silk.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes, p. m.) the House adjourned until tomorrow, June 19, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

803. A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of a proposed bill to amend the Public Health Service Act in regard to certain matters of personnel and administration, and for other purposes; to the Committee on Interstate and Foreign Commerce.

804. A letter from the Under Secretary of the Interior, transmitting a draft of a proposed bill to authorize the transfer of lands in the Fort Wingate Military Reserve, N. Mex., from the War Department to the Interior Department; to the Committee on Armed Services.

805. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill to amend the Agricultural Adjustment Act of 1938 as amended, and for other purposes; to the Committee on Agriculture.

806. A letter from the Attorney General, transmitting a report reciting the facts and pertinent provisions of law in the cases of 139 individuals whose deportation has been suspended for more than 6 months; to the Committee on the Judiciary.

807. A letter from the Secretary of the Interior, transmitting a draft of a proposed joint resolution establishing a code for health and safety in bituminous-coal and lignite mines of the United States, the products of which regularly enter commerce or the operations of which substantially affect commerce; to the Committee on Education and Labor.

808. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TWYMAN: Committee on Post Office and Civil Service. H. R. 3638. A bill to amend section 10 of the act establishing a National Archives of the United States Government; without amendment (Rept. No. 597). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Washington: Committee on Post Office and Civil Service. H. R. 2588. A bill requiring all mails consigned to an airport from a post office or branch, or from an airport to a post office or branch, within a radius of 35 miles of a city in which there has been established a Government-owned vehicle service to be delivered by Government-owned motor vehicles; with an amendment (Rept. No. 598). Referred to the Committee of the Whole House on the State of the Union.

Mr. LOVE: Committee on Post Office and Civil Service. H. R. 3513. A bill to transfer the Panama Railroad pension fund to the civil-service retirement and disability fund; without amendment (Rept. No. 599). Referred to the Committee of the Whole House on the State of the Union.

Mr. HESS: Committee on Armed Services. H. R. 3315. A bill to authorize conversions of certain naval vessels; with an amendment (Rept. No. 607). Referred to the Committee of the Whole House on the State of the Union.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 608. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FEIGHAN: Committee on the Judiciary. S. 116. An act for the relief of Mrs. Mildred Wells Martin; with an amendment (Rept. No. 600). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 405. A bill for the relief of Thomas M. Farley, Mrs. Susie Farley, Mrs. Helen Moss, the legal guardian of Donna Louise Farley, and the legal guardian of Melvin Moss; without amendment (Rept. No. 601). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 406. A bill for the relief of Walter R. and Kathryn Marshall; with an amendment (Rept. No. 602). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 990. A bill for the relief of the estate of Patricia Ann Moore, deceased; with an amendment (Rept. No. 603). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 1492. A bill for the relief of P. L. (Spud) Murphey, coowner and manager of Spud's Tailors, Laundry & Dry Cleaning Works; with an amendment (Rept. No. 604). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 1736. A bill for the relief of O. Dean Settles and Mrs. Ruth E. Settles, husband and wife; Mrs. Ruth E. Settles, individually; the estate of Ora H. Hatfield; and Mrs. Kittie B. Hatfield; with an amendment (Rept. No. 605). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 2268. A bill for the relief of Charles E. Crook; with an amendment (Rept. No. 606). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Agriculture was discharged from the consideration of the bill (H. R. 2415) to amend the Farm Credit Act of 1933, as amended, and the Federal Farm Loan Act, as amended, so that after June 30, 1947, employment by production credit associations and national farm loan associations will be covered by the old-age and survivors insurance benefit provisions of the Social Security Act, and for other purposes, and the same was referred to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 3883. A bill to authorize and direct the Secretary of War to transfer to the Territory of Alaska the title to the Army vessel *Hygiene;* to the Committee on Armed Services.

By Mr. CARSON:

H. R. 3884. A bill to provide for including dairy cattle owned by a taxpayer conducting a dairy farm as "property used in the trade or business" within the meaning of section 117 (j) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. HERTER:

H. R. 3885. A bill to provide that the Commissioner of Internal Revenue may by regulation eliminate the requirement that certain tax and information returns shall be made under oath; to the Committee on Ways and Means.

By Mr. LANDIS:

H. R. 3886. A bill to raise the minimum wage standards of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. McDOWELL:

H. R. 3887. A bill to amend section 102 of the Revised Statutes with reference to the penalty applicable in the case of contumacy of persons summoned by authority of Congress; to the Committee on the Judiciary.

By Mr. MEADE of Kentucky:

H. R. 3888. A bill to provide increased subsistence allowance to veterans pursuing certain courses under the Servicemen's Readjustment Act of 1944, as amended, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PATTERSON:

H. R. 3889. A bill to amend Veterans Regulation No. 1 (a), parts I and II, as amended, to establish a presumption of service connection for chronic and tropical diseases; to the Committee on Veterans' Affairs.

By Mr. PETERSON:

H. R. 3890. A bill to amend the Servicemen's Readjustment Act of 1944 to extend unemployment compensation to veterans becoming ill or disabled while employed; to the Committee on Veterans' Affairs.

By Mr. SMITH of Wisconsin:

H. R. 3891. A bill to authorize any agency of the United States Government to furnish or to procure and furnish materials, supplies, and equipment to public international organizations; to the Committee on Foreign Affairs.

By Mr. VURSELL:

H. R. 3892. A bill to amend the Armed Forces Leave Act of 1946 to permit settlement

and compensation for terminal leave under such act to be made in cash, to provide that bonds issued under such act shall be redeemable at any time, and for other purposes; to the Committee on Armed Services.

H. R. 3893. A bill to direct the Secretary of the Interior to establish appropriate zones for the State of Montana when prescribing open season for the taking of migratory waterfowl, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HAYS:

H. R. 3894. A bill to reduce the interest rate on tax overpayments and delinquencies from 6 percent to 4 percent; to the Committee on Ways and Means.

By Mr. HESS:

H. R. 3895. A bill to amend the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cottonseed and cottonseed products, and for other purposes," approved August 7, 1916; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H. R. 3896. A bill to provide for the payment of 30 days' basic compensation to certain persons separated from service in the executive branch of the Government; to the Committee on Post Office and Civil Service.

By Mr. HAYS:

H. R. 3897. A bill to authorize the Administrator of Veterans' Affairs to accept a conveyance to certain real estate as a site for a general hospital, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. WOLCOTT:

H. R. 3898. A bill to amend the Reconstruction Finance Corporation Act, as amended, and to extend the succession and certain lending powers and functions of the Reconstruction Finance Corporation, and for other purposes; to the Committee on Banking and Currency.

By Mr. SMATHERS:

H. R. 3899. A bill to amend section 12 of the Immigration Act of 1917; to the Committee on the Judiciary.

By Mr. CELLER:

H. J. Res. 219. Joint resolution to abolish the office of Vice President of the United States; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States to perpetuate the existence and identity of the United States Marine Corps by specifying its functions in legislation unifying the armed services of the United States; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATTLE:

H. R. 3900. A bill for the relief of Dr. Pradish Cheosakul; to the Committee on the Judiciary.

By Mr. D'EWART:

H. R. 3901. A bill to authorize the Secretary of the Interior to sell certain lands in the State of Montana to Martin E. Fossen; to the Committee on Public Lands.

H. R. 3902. A bill authorizing the Secretary of the Interior to issue a patent in fee to Gifford Monroe; to the Committee on Public Lands.

By Mr. PRESTON:

H. R. 3903. A bill for the relief of Lena E. Sikes; to the Committee on the Judiciary.

By Mr. WOODRUFF:

H. R. 3904. A bill for the relief of Kathleen Rose Ranes; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

644. By Mr. ARNOLD: Petition of the faculty of the College of Agriculture and the staff of the Missouri Agricultural Experiment Station, University of Missouri, Columbia, Mo., not only "to restore the publication of the Experiment Station Record but to enlarge its scope and usefulness. This seems to be necessary in order to utilize our time most economically and to make our duties and activities of the greatest value to the farming people and industry"; to the Committee on Agriculture.

645. By the SPEAKER: Petition of Mrs. Pearl Arnold, Lake Worth, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

646. Also, petition of Henry Clay Curtis, West Palm Beach, Fla., and others, petitioning consideration of their resolution with reference to protesting further operation of rent control; to the Committee on Banking and Currency.

647. Also, petition of A. M. Keller, Tampa, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

648. Also, petition of Mrs. M. G. Rowe, Daytona Beach, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

649. Also, petition of Henry Clay Curtis, West Palm Beach, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

650. Also, petition of the Municipal Council of St. Croix, V. I., petitioning consideration of their resolution with reference to expressing full confidence in and pledging loyal support to Gov. William H. Hastie; to the Committee on Public Lands.

651. Also, petition of Daniel N. Norton, St. Petersburg, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

652. Also, petition of the president, file department, City of New York Retired Men's Association, Inc., petitioning consideration of their resolution with reference to favoring a limited Federal tax exemption on pensions and annuity incomes; to the Committee on Ways and Means.

SENATE

THURSDAY, JUNE 19, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O God, our Father, while we pride ourselves that we learn something every day, we seem to make little progress in spiritual things.

Nowhere is our ignorance more tragic. So long have we been riding on the balloon tires of conceit, for our own good we may have to be deflated, that on the rims of humility we may discover the spiritual laws that govern our growth in grace. If our pride has to be punctured, Lord, make it soon before we gain too much speed.

For the salvation of our souls and the good of our country. In Jesus' name. Amen.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3492. An act to provide for the expeditious disposition of certain war housing, and for other purposes;

H. R. 3818. An act to amend the Federal Insurance Contributions Act with respect to rates of tax on employers and employees, and for other purposes; and

H. R. 3839. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 51) against adoption of Reorganization Plan No. 3 of May 27, 1947, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 3792) to provide for emergency flood-control work made necessary by recent floods, and for other purposes, and it was signed by the President pro tempore.

PRICE-SUPPORT PROGRAM FOR WOOL—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 814) to provide support for wool, and for other purposes.

The PRESIDENT pro tempore. Under the unanimous-consent agreement entered into yesterday, a vote is to be taken at 2:30 o'clock this afternoon on the conference report on Senate bill 814, and the time intervening between the convening of the Senate until the hour of 2:30 o'clock is under the control of the Senator from Vermont [Mr. AIKEN] and the Senator from Kentucky [Mr. BARKLEY]. Under the circumstances, the Chair can recognize no one except by permission of the Senator from Kentucky or the Senator from Vermont.

THE JOURNAL

Mr. WHERRY. Mr. President, will the Senator from Kentucky yield to me to ask for the approval of the Journal?